

**ANNUAL STATEMENT**

**OF THE**

**Volunteer State Health Plan, Inc.**

**of**

**Chattanooga**

**in the state of**

**Tennessee**

**TO THE**

**Insurance Department**

**OF THE STATE OF**

**Tennessee**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2003**

**2003**

ANNUAL STATEMENT

For the Year Ending December 31, 2003

OF THE CONDITION AND AFFAIRS OF THE

Volunteer State Health Plan, Inc.

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code		Employer's ID Number	62-1656610
Organized under the Laws of	Tennessee		State of Domicile or Port of Entry	Tennessee		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]		Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X]		Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]	
Date Incorporated or Organized	07/11/1996		Date Commenced Business	11/01/1996		
Statutory Home Office	801 Pine Street (Street and Number)		Chattanooga, TN 37402 (City, or Town, State and Zip Code)			
Main Administrative Office			801 Pine Street (Street and Number)			
	Chattanooga, TN 37402 (City or Town, State and Zip Code)		(423)755-5600 (Area Code) (Telephone Number)			
Mail Address	801 Pine Street (Street and Number or P.O. Box)		Chattanooga, TN 37402 (City, or Town, State and Zip Code)			
Primary Location of Books and Records			801 Pine Street (Street and Number)			
	Chattanooga, TN 37402 (City, or Town, State and Zip Code)		(423)755-5600 (Area Code) (Telephone Number)			
Internet Website Address	www.bcbst.com					
Statutory Statement Contact	Linda Farah Snell (Name)		(423)763-3130 (Area Code)(Telephone Number)(Extension)			
	Linda_Snell@bcbst.com (E-Mail Address)		(423)752-8331 (Fax Number)			
Policyowner Relations Contact			801 Pine Street (Street and Number)			
	Chattanooga , TN 37402 (City, or Town, State and Zip Code)		(423)755-5600 (Area Code) (Telephone Number)(Extension)			

OFFICERS

President & CEO	Ronald Ellis Harr
Secretary	John Linville Shull
Treasurer & CFO	David Lee Deal
Assistant Secretary	Shelia Dian Clemons
Assistant Treasurer	Harold Hoke Cantrell Jr.

DIRECTORS OR TRUSTEES

Ronald Ellis Harr	Vicky Brown Gregg
David Lee Deal	Joan Carol Harp

State of Tennessee

County of Hamilton ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)	(Signature)	(Signature)
Ronald Ellis Harr	John Linville Shull	David Lee Deal
(Printed Name)	(Printed Name)	(Printed Name)
President & CEO	Secretary	Treasurer & CFO
	a. Is this an original filing?	Yes[X] No[ ]
	b. If no,	
	1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	

Subscribed and sworn to before me this

day of , 2004

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D) .....	16,735,531		16,735,531	19,994,049
2.	Stocks (Schedule D)				
2.1	Preferred stocks .....				
2.2	Common Stocks .....				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$..... encumbrances) .....				
4.2	Properties held for the production of income (less \$..... encumbrances) .....				
4.3	Properties held for sale (less \$..... encumbrances) .....				
5.	Cash (\$....(11,260,925) Schedule E Part 1), cash equivalents (\$..... Schedule E Part 2) and short-term investments (\$.....36,500,803 Schedule DA) .....	25,239,878		25,239,878	30,144,002
6.	Contract loans (including \$..... premium notes) .....				
7.	Other invested assets (Schedule BA) .....				
8.	Receivable for securities .....				
9.	Aggregate write-ins for invested assets .....				
10.	Subtotals, cash and invested assets (Lines 1 to 9) .....	41,975,409		41,975,409	50,138,051
11.	Investment income due and accrued .....	337,099		337,099	447,631
12.	Premiums and considerations				
12.1	Uncollected premiums and agents' balances in the course of collection .....				
12.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$..... earned but unbilled premiums) .....				
12.3	Accrued retrospective premiums .....				
13.	Reinsurance:				
13.1	Amounts recoverable from reinsurers .....				
13.2	Funds held by or deposited with reinsured companies .....				
13.3	Other amounts receivable under reinsurance contracts .....				
14.	Amounts receivable relating to uninsured plans .....	1,340		1,340	2,115,149
15.1	Current federal and foreign income tax recoverable and interest thereon .....				
15.2	Net deferred tax asset .....	637,250	637,250		1,702,272
16.	Guaranty funds receivable or on deposit .....				
17.	Electronic data processing equipment and software .....				
18.	Furniture and equipment, including health care delivery assets (\$.....) .....				
19.	Net adjustment in assets and liabilities due to foreign exchange rates .....				
20.	Receivables from parent, subsidiaries and affiliates .....	77,581		77,581	
21.	Health care (\$.....) and other amounts receivable .....	53		53	16,526
22.	Other assets nonadmitted .....				
23.	Aggregate write-ins for other than invested assets .....				
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	43,028,732	637,250	42,391,482	54,419,629
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26.	Total (Lines 24 and 25) .....	43,028,732	637,250	42,391,482	54,419,629
DETAILS OF WRITE-INS					
0901	.....				
0902	.....				
0903	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....				
2301	.....				
2302	.....				
2303	.....				
2398.	Summary of remaining write-ins for Line 23 from overflow page .....				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded) .....				1,556,385
2.	Accrued medical incentive pool and bonus amounts .....				
3.	Unpaid claims adjustment expenses .....				
4.	Aggregate health policy reserves .....				
5.	Aggregate life policy reserves .....				
6.	Property/casualty unearned premium reserves .....				
7.	Aggregate health claim reserves .....				
8.	Premiums received in advance .....				
9.	General expenses due or accrued .....	83,253		83,253	735,405
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses)) .....				
10.2	Net deferred tax liability .....				
11.	Ceded reinsurance premiums payable .....				
12.	Amounts withheld or retained for the account of others .....				
13.	Remittance and items not allocated .....	222,806		222,806	916,262
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current) .....				
15.	Amounts due to parent, subsidiaries and affiliates .....				175,752
16.	Payable for securities .....				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers) .....				
18.	Reinsurance in unauthorized companies .....				
19.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
20.	Liability for amounts held under uninsured accident and health plans .....	3,186,161		3,186,161	6,041,003
21.	Aggregate write-ins for other liabilities (including \$..... current) .....	6,136,457		6,136,457	10,321,685
22.	TOTAL Liabilities (Lines 1 to 21) .....	9,628,677		9,628,677	19,746,492
23.	Common capital stock .....	X X X	X X X	100,000	100,000
24.	Preferred capital stock .....	X X X	X X X		
25.	Gross paid in and contributed surplus .....	X X X	X X X		
26.	Surplus notes .....	X X X	X X X		
27.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
28.	Unassigned funds (surplus) .....	X X X	X X X	32,662,805	34,573,137
29.	Less treasury stock, at cost:	X X X	X X X		
29.1	..... shares common (value included in Line 23 \$.....)	X X X	X X X		
29.2	..... shares preferred (value included in Line 24 \$.....)	X X X	X X X		
30.	TOTAL capital and surplus (Lines 23 to 28 minus Line 29) .....	X X X	X X X	32,762,805	34,673,137
31.	TOTAL Liabilities, capital and surplus (Lines 22 and 30) .....	X X X	X X X	42,391,482	54,419,629
DETAILS OF WRITE-INS					
2101.	Due State of Tennessee .....	3,954,132		3,954,132	6,461,647
2102.	Stale Dated Checks .....	1,307,174		1,307,174	1,495,620
2103.	Contingent Legal Liability .....	700,000		700,000	1,450,000
2198.	Summary of remaining write-ins for Line 21 from overflow page .....	175,151		175,151	914,418
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above) .....	6,136,457		6,136,457	10,321,685
2701	.....	X X X	X X X		
2702	.....	X X X	X X X		
2703	.....	X X X	X X X		
2798.	Summary of remaining write-ins for Line 27 from overflow page .....	X X X	X X X		
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	(111)	1,727,303
2.	Net premium income (including \$..... non-health premium income) .....	X X X .....	(3,418,182)	290,620,958
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....		
4.	Fee-for-service (net of \$..... medical expenses) .....	X X X .....		
5.	Risk revenue .....	X X X .....		
6.	Aggregate write-ins for other health care related revenues .....	X X X .....		
7.	Aggregate write-ins for other non-health revenues .....	X X X .....		
8.	TOTAL revenues (Lines 2 to 7) .....	X X X .....	(3,418,182)	290,620,958
Hospital and Medical:				
9.	Hospital/medical benefits .....		(5,355,759)	176,409,127
10.	Other professional services .....		1,154,208	26,294,741
11.	Outside referrals .....			
12.	Emergency room and out-of-area .....		(578,433)	7,396,270
13.	Prescription drugs .....		18,537	70,058,513
14.	Aggregate write-ins for other hospital and medical .....		810,534	7,435,050
15.	Incentive pool, withhold adjustments and bonus amounts .....			(4,006,640)
16.	Subtotal (Lines 9 to 15) .....		(3,950,913)	283,587,061
Less:				
17.	Net reinsurance recoveries .....			
18.	TOTAL hospital and medical (Lines 16 minus 17) .....		(3,950,913)	283,587,061
19.	Non-health claims .....			
20.	Claims adjustment expenses .....		1,025,190	16,846,910
21.	General administrative expenses .....		838,791	13,783,835
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only) .....			
23.	TOTAL underwriting deductions (Lines 18 through 22) .....		(2,086,932)	314,217,806
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	(1,331,250)	(23,596,848)
25.	Net investment income earned .....		501,165	2,759,858
26.	Net realized capital gains or (losses) .....			(26,482)
27.	Net investment gains or (losses) (Lines 25 plus 26) .....		501,165	2,733,376
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)] .....			
29.	Aggregate write-ins for other income or expenses .....			
30.	Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	(830,085)	(20,863,472)
31.	Federal and foreign income taxes incurred .....	X X X .....	(579,508)	(8,396,968)
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	(250,577)	(12,466,504)
DETAILS OF WRITE-INS				
0601.	GME, Meharry, Critical Access, and EPP Revenues .....	X X X .....	121,487,264	105,102,042
0602.	GME, Meharry, Critical Access, and EPP Premium Taxes .....	X X X .....	(2,429,745)	(2,102,041)
0603.	Critical Access Payments .....	X X X .....	(3,305,038)	
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....	(115,752,481)	(103,000,001)
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....		
0701	.....	X X X .....		
0702	.....	X X X .....		
0703	.....	X X X .....		
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....		
1401.	Exigency Post-Settlement Activity .....		810,534	8,592,878
1402.	BHO SubCapitation .....			(1,157,828)
1403	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page .....			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....		810,534	7,435,050
2901	.....			
2902	.....			
2903	.....			
2998.	Summary of remaining write-ins for Line 29 from overflow page .....			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year .....	34,673,137	64,695,856
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32 .....	(250,577)	(12,466,504)
35.	Change in valuation basis of aggregate policy and claim reserves .....		
36.	Net unrealized capital gains and losses .....		
37.	Change in net unrealized foreign exchange capital gain or (loss) .....		
38.	Change in net deferred income tax .....	(2,964,661)	(3,119,172)
39.	Change in nonadmitted assets .....	5,330,324	6,287,958
40.	Change in unauthorized reinsurance .....		
41.	Change in treasury stock .....		
42.	Change in surplus notes .....		
43.	Cumulative effect of changes in accounting principles .....		
44.	Capital Changes:		
44.1	Paid in .....		
44.2	Transferred from surplus (Stock Dividend) .....		
44.3	Transferred to surplus .....		
45.	Surplus adjustments:		
45.1	Paid in .....		(20,725,000)
45.2	Transferred to capital (Stock Dividend) .....		
45.3	Transferred from capital .....		
46.	Dividends to stockholders .....		
47.	Aggregate write-ins for gains or (losses) in surplus .....	(4,025,418)	(1)
48.	Net change in capital and surplus (Lines 34 to 47) .....	(1,910,332)	(30,022,719)
49.	Capital and surplus end of reporting year (Line 33 plus 48) .....	32,762,805	34,673,137
DETAILS OF WRITE-INS			
4701.	Correction of error to deferred tax calculation .....	(4,025,418)	
4702.	Rounding .....		(1)
4703	.....		
4798.	Summary of remaining write-ins for Line 47 from overflow page .....		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	(4,025,418)	(1)

Report #2A: Stabilization Plan Only			
	Current Year		Previous Year
	Current Period	Year-to-date Total	Total
MEMBER MONTHS	799,098	3,179,425	1,684,849
<b>REVENUES:</b>			
1. TennCare Capitation	127,359,215	571,274,288	331,059,594
2. Adverse Selection	-	-	-
3. Total TennCare Revenue (Lines 1 and 2)	127,359,215	571,274,288	331,059,594
4. Investment	-	-	-
5. Other Revenue (Provide Detail)	-	-	-
6. TOTAL REVENUES (Lines 1 to 5)	127,359,215	571,274,288	331,059,594
<b>EXPENSES:</b>			
Medical and Hospital Services:			
7. Capitated Physician Services	1,138,370	7,301,171	5,268,436
8. Fee-for Service Physician Services	42,941,008	165,263,450	85,702,592
9. Inpatient Hospital Services	31,749,618	124,042,441	59,080,214
10. Outpatient Services	19,950,655	75,426,055	39,768,021
11. Emergency Room Services	2,416,284	12,475,319	8,460,515
12. Mental Health Services	-	-	-
13. Dental Services	1,012	26,938	6,042,741
14. Vision Services	81,204	341,961	204,546
15. Pharmacy Services	1,665,917	83,579,692	75,681,185
16. Home Health Services	3,030,230	11,771,567	3,465,360
17. Chiropractic Services	-	-	-
18. Radiology Services	2,992,954	11,359,958	6,317,260
19. Laboratory Services	2,589,316	10,101,301	5,356,297
20. Durable Medical Services	2,608,867	10,340,145	4,204,982
21. Transportation Services	2,528,334	9,362,461	4,518,651
22. Outside Referrals	-	-	-
23. Medical Incentive Pool and Withhold Adjustments	-	10,956	-
24. Occupancy, Depreciation, and Amortization	-	-	-
25. Other Medical and Hospital Services (Provide Detail)	1,475,986	4,834,032	3,142,436
26. Subtotal (Lines 7 to 25)	115,169,755	526,237,447	307,213,236
LESS:			
27. Reinsurance Expenses Net of Recoveries			
28. Copayments	322,468	1,269,346	702,676
29. Subrogation and Coordination of Benefits	331,010	1,605,039	42,352
30. Subtotal (Lines 27 to 29)	653,478	2,874,385	745,028
31. TOTAL MEDICAL AND HOSPITAL (Lines 26 minus line 30)	114,516,277	523,363,062	306,468,208
Administration:			
32. Compensation	6,207,506	24,554,902	12,589,020
33. Marketing			
34. Interest Expense			
35. Premium Tax Expense	2,547,185	11,425,486	6,621,192
36. Occupancy, Depreciation and Amortization	1,478,058	2,991,831	1,038,672
37. Other Administration (Provide Detail)	2,610,189	8,939,007	4,342,502
38. TOTAL ADMINISTRATION (Lines 32 to 37)	12,842,938	47,911,226	24,591,386
39. TOTAL EXPENSES (Lines 31 and 38)	127,359,215	571,274,288	331,059,594
40. Extraordinary Item			
41. Provision for Federal Income Taxes	-	-	-
42. NET INCOME/(LOSS) (Line 6 less Lines 39,40 and 41))	-	-	-
<b>DETAILS OF WRITE-INS</b>			
2501. PT/OT/ST, Supplies, Prosthetics, etc.	1,280,061	4,621,660	3,125,498
2502. Out of Area Claims Expense	149,930	149,930	-
2503. Bad Debt Expense	45,995	62,442	16,938
		-	-
2599. TOTALS	1,475,986	4,834,032	3,142,436
3701. Equipment Rental	877,133	3,758,031	1,976,721
3702. Postage/Telephone	444,352	1,787,801	921,804
3703. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	1,148,604	1,751,317	413,550
3704. Auditing, Actuarial, and Other Consulting	228,176	583,772	243,991
3705. Outsourced Services	(75,076)	547,286	427,032
3706. Printing and Stationary	(13,000)	510,800	359,404
		-	-
3799. TOTALS	2,610,189	8,939,007	4,342,502

Report #2A: TennCare Select Only			
	Current Year		Previous Year
	Current Period	Year-to-date Total	Total
MEMBER MONTHS	1,374,642	4,176,117	3,159,675
<b>REVENUES:</b>			
1. TennCare Capitation	217,256,289	721,556,192	587,599,930
2. Adverse Selection	-	-	-
3. Total TennCare Revenue (Lines 1 and 2)	217,256,289	721,556,192	587,599,930
4. Investment	-	-	-
5. Other Revenue (Provide Detail)	-	-	-
6. TOTAL REVENUES (Lines 1 to 5)	217,256,289	721,556,192	587,599,930
<b>EXPENSES:</b>			
Medical and Hospital Services:			
7. Capitated Physician Services	1,426,722	4,214,771	3,335,176
8. Fee-for Service Physician Services	68,760,930	211,910,391	141,921,049
9. Inpatient Hospital Services	62,089,368	192,306,728	146,589,142
10. Outpatient Services	29,549,202	87,466,779	63,597,033
11. Emergency Room Services	3,858,523	15,963,152	14,921,455
12. Mental Health Services	-	-	-
13. Dental Services	619	24,597	14,787,883
14. Vision Services	151,774	555,772	426,501
15. Pharmacy Services	1,074,236	53,643,132	81,222,680
16. Home Health Services	7,698,509	26,955,672	14,905,490
17. Chiropractic Services	-	-	-
18. Radiology Services	5,346,983	15,408,667	9,401,004
19. Laboratory Services	4,219,697	12,294,519	8,236,829
20. Durable Medical Services	4,223,284	12,041,982	8,525,456
21. Transportation Services	5,484,755	15,491,840	11,446,942
22. Outside Referrals	-	-	-
23. Medical Incentive Pool and Withhold Adjustments	-	4,980	-
24. Occupancy, Depreciation, and Amortization	-	-	-
25. Other Medical and Hospital Services (Provide Detail)	2,590,298	7,624,865	9,327,418
26. Subtotal (Lines 7 to 25)	196,474,900	655,907,847	528,644,058
LESS:			
27. Reinsurance Expenses Net of Recoveries			
28. Copayments	466,198	1,129,894	993,278
29. Subrogation and Coordination of Benefits	268,110	1,878,092	842,158
30. Subtotal (Lines 27 to 29)	734,308	3,007,986	1,835,436
31. TOTAL MEDICAL AND HOSPITAL (Lines 26 minus line 30)	195,740,592	652,899,861	526,808,622
Administration:			
32. Compensation	10,534,098	36,514,090	34,354,489
33. Marketing			
34. Interest Expense			
35. Premium Tax Expense	4,345,126	14,431,124	11,751,998
36. Occupancy, Depreciation and Amortization	2,305,460	4,448,968	2,834,456
37. Other Administration (Provide Detail)	4,331,013	13,292,649	11,850,365
38. TOTAL ADMINISTRATION (Lines 32 to 37)	21,515,697	68,686,831	60,791,308
39. TOTAL EXPENSES (Lines 31 and 38)	217,256,289	721,586,692	587,599,930
40. Extraordinary Item			
41. Provision for Federal Income Taxes	-	(10,675)	-
42. NET INCOME/(LOSS) (Line 6 less Lines 39,40 and 41))	-	(19,825)	-
<b>DETAILS OF WRITE-INS</b>			
2501. PT/OT/ST, Supplies, Prosthetics, etc.	2,469,029	7,245,554	8,818,617
2502. Out of Area Claims Expense	211,361	211,361	-
2503. Bad Debt Expense	(90,092)	167,950	508,801
2599. TOTALS	2,590,298	7,624,865	9,327,418
3701. Equipment Rental	1,508,973	5,588,338	5,394,324
3702. Postage/Telephone	756,199	2,658,529	2,515,535
3704. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	1,750,830	2,604,276	1,128,549
3706. Auditing, Actuarial, and Other Consulting	364,567	868,091	665,832
3703. Outsourced Services	(67,433)	813,835	1,165,339
3705. Printing and Stationary	17,877	759,580	980,786
3799. TOTALS	4,331,013	13,292,649	11,850,365

Report #2A: VOLUNTEER STATE HEALTH PLAN, INC STATEMENT OF REVENUES AND EXPENSES			
	Current Year		Previous Year
	Current Period	Year-to-date Total	Total
MEMBER MONTHS	-	(111)	1,727,303
<b>REVENUES:</b>			
1. TennCare Capitation	(425,973)	(3,418,182)	290,620,958
2. Adverse Selection	-	-	-
3. Total TennCare Revenue (Lines 1 and 2)	(425,973)	(3,418,182)	290,620,958
4. Investment	112,164	501,165	2,733,376
5. Other Revenue (Provide Detail)	-	-	-
6. TOTAL REVENUES (Lines 1 to 5)	(313,809)	(2,917,017)	293,354,334
<b>EXPENSES:</b>			
Medical and Hospital Services:			
7. Capitated Physician Services	6	(222)	5,260,271
8. Fee-for Service Physician Services	31,979	(1,093,501)	75,937,748
9. Inpatient Hospital Services	120,274	(997,409)	60,880,560
10. Outpatient Services	(265,899)	(589,196)	33,952,907
11. Emergency Room Services	(44,277)	(44,137)	7,443,738
12. Mental Health Services	-	-	-
13. Dental Services	-	(15,681)	6,714,020
14. Vision Services	(21)	(556)	181,909
15. Pharmacy Services	20,897	66,871	70,809,791
16. Home Health Services	1,366	(80,199)	2,188,578
17. Chiropractic Services	-	-	-
18. Radiology Services	(4,965)	11,188	5,355,466
19. Laboratory Services	(81)	4,909	4,522,648
20. Durable Medical Services	(8,367)	(135,120)	3,769,201
21. Transportation Services	(7,606)	(170,318)	4,352,722
22. Outside Referrals	-	-	-
23. Medical Incentive Pool and Withhold Adjustments	(769,092)	-	(4,006,640)
24. Occupancy, Depreciation, and Amortization	-	-	-
25. Other Medical and Hospital Services (Provide Detail)	228,066	773,973	10,611,953
26. Subtotal (Lines 7 to 25)	(697,720)	(2,269,398)	287,974,872
LESS:			
27. Reinsurance Expenses Net of Recoveries			
28. Copayments	(861)	(30,724)	1,028,289
29. Subrogation and Coordination of Benefits	248,273	1,712,239	3,359,522
30. Subtotal (Lines 27 to 29)	247,412	1,681,515	4,387,811
31. TOTAL MEDICAL AND HOSPITAL (Lines 26 minus line 30)	(945,132)	(3,950,913)	283,587,061
Administration:			
32. Compensation	27,868	1,300,468	17,386,479
33. Marketing	-	-	-
34. Interest Expense	-	-	-
35. Premium Tax Expense	(8,520)	(68,364)	5,812,419
36. Occupancy, Depreciation and Amortization	53,456	158,452	1,434,491
37. Other Administration (Provide Detail)	34,450	473,425	5,997,356
38. TOTAL ADMINISTRATION (Lines 32 to 37)	107,254	1,863,981	30,630,745
39. TOTAL EXPENSES (Lines 31 and 38)	(837,878)	(2,086,932)	314,217,806
40. Extraordinary Item			
41. Provision for Federal Income Taxes	(106,173)	(579,508)	(8,396,968)
42. NET INCOME/(LOSS) (Line 6 less Lines 39,40 and 41))	630,242	(250,577)	(12,466,504)
<b>DETAILS OF WRITE-INS</b>			
0501. GME, Meharry, Critical Access & EPP Revenues	5,883,864	121,487,264	105,102,042
0502. GME, Meharry, Critical Access, and EPP Premium Taxes	(117,677)	(2,429,745)	(2,102,041)
0503. Critical Access Payments	(3,305,038)	(3,305,038)	-
0504. Meharry Payments	(2,461,149)	(7,403,256)	-
0505. GME Payments	-	(33,349,225)	(58,000,000)
0506. Essential Provider (EPP) Payments	-	(75,000,000)	(45,000,001)
0599. TOTALS	-	-	-
2501. Exigency Post-Settlement Activity	334,830	810,534	8,592,878
2502. PT/OT/ST, Supplies, Prosthetics, etc.	(5,690)	1,696	3,557,555
2503. Out of Area Claims	284	284	-
2504. Bad Debt Expense	(101,358)	(38,541)	(380,652)
2505. BHO	-	-	(1,157,828)
2599. TOTALS	228,066	773,973	10,611,953
3701. Equipment	(792)	199,031	2,730,016
3702. Postage/Telephone	1,502	94,685	1,273,088
3703. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	50,948	92,753	571,148
3704. Auditing, Actuarial, and Other Consulting	6,253	30,918	336,971
3705. Outsourced Services	(14,183)	28,985	589,767
3706. Printing and Stationary	(9,278)	27,053	496,366
3799. TOTALS	34,450	473,425	5,997,356

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance .....	(3,418,182)	293,047,346
2.	Net investment income .....	1,190,059	3,711,937
3.	Miscellaneous income .....		
4.	Total (Lines 1 through 3) .....	(2,228,123)	296,759,283
5.	Benefit and loss related payments .....	(2,394,528)	399,626,387
6.	Net transfers to Separate, Segregated and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	3,257,166	15,947,645
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) \$...... net tax on capital gains (losses) .....	347,357	(11,217,047)
10.	Total (Lines 5 through 9) .....	1,209,995	404,356,985
11.	Net cash from operations (Lines 4 minus 10) .....	(3,438,118)	(107,597,702)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	4,000,000	40,026,750
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash and short-term investments .....		
12.7	Miscellaneous proceeds .....		
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	4,000,000	40,026,750
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	1,319,844	31,658,420
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	1,319,844	31,658,420
14.	Net increase (or decrease) in policy loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	2,680,156	8,368,330
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		(20,725,000)
16.2	Capital and paid in surplus, less treasury stock .....		
16.3	Borrowed funds received .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....		
16.6	Other cash provided (applied) .....	(4,146,162)	(25,465,108)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(4,146,162)	(46,190,108)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18.	Net change in cash and short-term investments (Line 11, plus Line 15, plus Line 17) .....	(4,904,124)	(145,419,480)
19.	Cash and short-term investments:		
19.1	Beginning of year .....	30,144,002	175,563,482
19.2	End of year (Line 18 plus Line 19.1) .....	25,239,878	30,144,002

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

(Gain and Loss Exhibit)

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other Health	Other Non-Health
1.	Net premium income .....	(3,418,182)							(3,418,182)					
2.	Change in unearned premium reserves and reserve for rate credit .....													
3.	Fee-for-service (net of \$..... medical expenses) .....													X X X .....
4.	Risk revenue .....													X X X .....
5.	Aggregate write-ins for other health care related revenues .....													X X X .....
6.	Aggregate write-ins for other non-health care related revenues .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
7.	TOTAL revenues (Lines 1 to 6) .....	(3,418,182)							(3,418,182)					
8.	Hospital/medical benefits .....	(5,355,759)							(5,355,759)					X X X .....
9.	Other professional services .....	1,154,208							1,154,208					X X X .....
10.	Outside referrals .....													X X X .....
11.	Emergency room and out-of-area .....	(578,433)							(578,433)					X X X .....
12.	Prescription drugs .....	18,537							18,537					X X X .....
13.	Aggregate write-ins for other hospital and medical .....	810,534							810,534					X X X .....
14.	Incentive pool, withhold adjustments and bonus amounts .....													X X X .....
15.	Subtotal (Lines 8 to 14) .....	(3,950,913)							(3,950,913)					X X X .....
16.	Net reinsurance recoveries .....													X X X .....
17.	TOTAL hospital and medical (Lines 15 minus 16) .....	(3,950,913)							(3,950,913)					X X X .....
18.	Non-health claims (net) .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
19.	Claims adjustment expenses .....	1,025,190							1,025,190					
20.	General administrative expenses .....	838,791							838,791					
21.	Increase in reserves for accident and health contracts .....													X X X .....
22.	Increase in reserves for life contracts .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
23.	TOTAL underwriting deductions (Lines 17 to 22) .....	(2,086,932)							(2,086,932)					
24.	Net underwriting gain or (loss) (Line 7 minus Line 23) .....	(1,331,250)							(1,331,250)					
DETAILS OF WRITE-INS														
0501.	GME, Meharry, Critical Access, and EPP Revenues .....	121,487,264							121,487,264					X X X .....
0502.	GME, Meharry, Critical Access, and EPP Premium Taxes .....	(2,429,745)							(2,429,745)					X X X .....
0503.	Critical Access Payments .....	(3,305,038)							(3,305,038)					X X X .....
0598.	Summary of remaining write-ins for Line 5 from overflow page .....	(115,752,481)							(115,752,481)					X X X .....
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....													X X X .....
0601	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0602	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0603	.....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0698.	Summary of remaining write-ins for Line 6 from overflow page .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	
1301.	Exigency Post-Settlement Activity .....	810,534							810,534					X X X .....
1302.	.....													X X X .....
1303	.....													X X X .....
1398.	Summary of remaining write-ins for Line 13 from overflow page .....													X X X .....
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....	810,534							810,534					X X X .....

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 1 - PREMIUMS**

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employee Health Benefits Plan .....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....
7.	Title XIX - Medicaid .....	(3,418,182)	.....	.....	(3,418,182)
8.	Stop loss .....	.....	.....	.....	.....
9.	Disability income .....	.....	.....	.....	.....
10.	Long-term care .....	.....	.....	.....	.....
11.	Other health .....	.....	.....	.....	.....
12.	Health subtotal (Lines 1 through 11) .....	(3,418,182)	.....	.....	(3,418,182)
13.	Life .....	.....	.....	.....	.....
14.	Property/casualty .....	.....	.....	.....	.....
15.	TOTALS (Lines 12 to 14) .....	(3,418,182)	.....	.....	(3,418,182)

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - Claims Incurred During the Year**

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1.	Payments during the year:													
	1.1 Direct .....	(2,394,528)							(2,394,528)					
	1.2 Reinsurance assumed .....													
	1.3 Reinsurance ceded .....													
	1.4 Net .....	(2,394,528)							(2,394,528)					
2.	Paid medical incentive pools and bonuses .....													
3.	Claim liability December 31, current year from Part 2A:													
	3.1 Direct .....													
	3.2 Reinsurance assumed .....													
	3.3 Reinsurance ceded .....													
	3.4 Net .....													
4.	Claim reserve December 31, current year from Part 2D:													
	4.1 Direct .....													
	4.2 Reinsurance assumed .....													
	4.3 Reinsurance ceded .....													
	4.4 Net .....													
5.	Accrued medical incentive pools and bonuses, current year .....													
6.	Amounts recoverable from reinsurers December 31, current year .....													
7.	Claim liability December 31, prior year from Part 2A:													
	7.1 Direct .....	1,556,385							1,556,385					
	7.2 Reinsurance assumed .....													
	7.3 Reinsurance ceded .....													
	7.4 Net .....	1,556,385							1,556,385					
8.	Claim reserve December 31, prior year from Part 2D:													
	8.1 Direct .....													
	8.2 Reinsurance assumed .....													
	8.3 Reinsurance ceded .....													
	8.4 Net .....													
9.	Accrued medical incentive pools and bonuses, prior year .....													
10.	Amounts recoverable from reinsurers December 31, prior year .....													
11.	Incurred benefits:													
	11.1 Direct .....	(3,950,913)							(3,950,913)					
	11.2 Reinsurance assumed .....													
	11.3 Reinsurance ceded .....													
	11.4 Net .....	(3,950,913)							(3,950,913)					
12.	Incurred medical incentive pools and bonuses .....													

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - Claims Liability End of Current Year**

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
10	1. Reported in Process of Adjustment:													
	1.1 Direct .....													
	1.2 Reinsurance assumed .....													
	1.3 Reinsurance ceded .....													
	1.4 Net .....													
	2. Incurred but Unreported:													
	2.1 Direct .....													
	2.2 Reinsurance assumed .....													
	2.3 Reinsurance ceded .....													
	2.4 Net .....													
3.	Amounts Withheld from Paid Claims and Capitations:													
	3.1 Direct .....													
	3.2 Reinsurance assumed .....													
	3.3 Reinsurance ceded .....													
	3.4 Net .....													
4.	TOTALS													
	4.1 Direct .....													
	4.2 Reinsurance assumed .....													
	4.3 Reinsurance ceded .....													
	4.4 Net .....													

NONE

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....	.....	.....
7.	Title XIX - Medicaid .....	(2,394,528)	.....	.....	.....	(2,394,528)	1,556,385
8.	Other health .....	.....	.....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 to 8) .....	(2,394,528)	.....	.....	.....	(2,394,528)	1,556,385
10.	Other non-health .....	.....	.....	.....	.....	.....	.....
11.	Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
12.	TOTALS (Lines 9 to 11) .....	(2,394,528)	.....	.....	.....	(2,394,528)	1,556,385

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	90,736	(120)	(130)		(415)
2.	1999 .....	804,177	888,503	889,008	889,258	889,227
3.	2000 .....	X X X	804,704	930,574	960,056	959,736
4.	2001 .....	X X X	X X X	688,909	742,103	740,874
5.	2002 .....	X X X	X X X	X X X	293,740	293,340
6.	2003 .....	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	90,736	(120)	(130)		(415)
2.	1999 .....	906,683	888,742	889,008	889,258	889,227
3.	2000 .....	X X X	969,453	961,440	960,056	959,736
4.	2001 .....	X X X	X X X	748,672	742,396	740,874
5.	2002 .....	X X X	X X X	X X X	295,003	293,340
6.	2003 .....	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	Prior to 1999 .....	X X X	(415)		X X X	(415)	X X X			(415)	X X X
2.	1999 .....	989,118	889,227	44,199	4.970	933,426	94.370			933,426	94.370
3.	2000 .....	1,072,956	959,736	48,184	5.021	1,007,920	93.939			1,007,920	93.939
4.	2001 .....	861,549	740,874	45,515	6.143	786,389	91.276			786,389	91.276
5.	2002 .....	290,621	293,340	14,168	4.830	307,508	105.811			307,508	105.811
6.	2003 .....	(3,418)									
7.	TOTAL (Lines 1 through 6) .....	X X X	2,882,762	152,066	X X X	3,034,828	X X X			3,034,828	X X X
8.	TOTAL (Lines 2 through 6) .....	3,210,826	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Total

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**

**Hospital and Medical**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<b>N O N E</b>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<b>N O N E</b>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	Prior to 1999 .....	X X X			X X X		X X X				X X X
2.	1999 .....										
3.	2000 .....			<b>N O N E</b>							
4.	2001 .....										
5.	2002 .....										
6.	2003 .....										
7.	TOTAL (Lines 1 through 6) .....	X X X			X X X		X X X				X X X
8.	TOTAL (Lines 2 through 6) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**

**Medicare Supplement**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<b>N O N E</b>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<b>N O N E</b>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	Prior to 1999 .....	X X X			X X X		X X X				X X X
2.	1999 .....										
3.	2000 .....			<b>N O N E</b>							
4.	2001 .....										
5.	2002 .....										
6.	2003 .....										
7.	TOTAL (Lines 1 through 6) .....	X X X			X X X		X X X				X X X
8.	TOTAL (Lines 2 through 6) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**  
**Dental Only**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<div>NONE</div>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<div>NONE</div>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1999 .....	X X X			X X X		X X X				X X X
2.	1999 .....										
3.	2000 .....			<div>NONE</div>							
4.	2001 .....										
5.	2002 .....										
6.	2003 .....										
7.	TOTAL (Lines 1 through 6) .....	X X X			X X X		X X X				X X X
8.	TOTAL (Lines 2 through 6) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Dental Only

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Vision Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	NONE				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		XX			
5.	2002 .....		XX	XXX		
6.	2003 .....		XXX	XXX	XXX	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	NONE				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		XX			
5.	2002 .....		XX	XXX		
6.	2003 .....		XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1999 .....	XXX			XXX		XXX				XXX
2.	1999 .....										
3.	2000 .....			NONE							
4.	2001 .....										
5.	2002 .....										
6.	2003 .....										
7.	TOTAL (Lines 1 through 6) .....	XXX			XXX		XXX				XXX
8.	TOTAL (Lines 2 through 6) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

12 Vision Only

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**  
**Federal Employees Health Benefits Plan Premiums**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<b>N O N E</b>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<b>N O N E</b>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1999 .....	X X X			X X X		X X X				X X X
2.	1999 .....										
3.	2000 .....			<b>N O N E</b>							
4.	2001 .....										
5.	2002 .....										
6.	2003 .....										
7.	TOTAL (Lines 1 through 6) .....	X X X			X X X		X X X				X X X
8.	TOTAL (Lines 2 through 6) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**

**Title XVIII - Medicare**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<b>N O N E</b>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<b>N O N E</b>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	Prior to 1999 .....	X X X			X X X		X X X				X X X
2.	1999 .....										
3.	2000 .....			<b>N O N E</b>							
4.	2001 .....										
5.	2002 .....										
6.	2003 .....										
7.	TOTAL (Lines 1 through 6) .....	X X X			X X X		X X X				X X X
8.	TOTAL (Lines 2 through 6) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**  
**Title XIX - Medicaid**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	90,736	(120)	(130)		(415)
2.	1999 .....	804,177	888,503	889,008	889,258	889,227
3.	2000 .....	X X X	804,704	930,574	960,056	959,736
4.	2001 .....	X X X	X X X	688,909	742,103	740,874
5.	2002 .....	X X X	X X X	X X X	293,740	293,340
6.	2003 .....	X X X	X X X	X X X	X X X	

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	90,736	(120)	(130)		(415)
2.	1999 .....	906,683	888,742	889,008	889,258	889,227
3.	2000 .....	X X X	969,453	961,440	960,056	959,736
4.	2001 .....	X X X	X X X	748,672	742,396	740,874
5.	2002 .....	X X X	X X X	X X X	295,003	293,340
6.	2003 .....	X X X	X X X	X X X	X X X	

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1999 .....	X X X	(415)		X X X	(415)	X X X			(415)	X X X
2.	1999 .....	989,118	889,227	44,199	4.970	933,426	94.370			933,426	94.370
3.	2000 .....	1,072,956	959,736	48,184	5.021	1,007,920	93.939			1,007,920	93.939
4.	2001 .....	861,549	740,874	45,515	6.143	786,389	91.276			786,389	91.276
5.	2002 .....	290,621	293,340	14,168	4.830	307,508	105.811			307,508	105.811
6.	2003 .....	(3,418)									
7.	TOTAL (Lines 1 through 6) .....	X X X	2,882,762	152,066	X X X	3,034,828	X X X			3,034,828	X X X
8.	TOTAL (Lines 2 through 6) .....	3,210,826	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**

**Other**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<b>N O N E</b>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1999	2 2000	3 2001	4 2002	5 2003
1.	Prior .....	<b>N O N E</b>				
2.	1999 .....					
3.	2000 .....					
4.	2001 .....		X X			
5.	2002 .....		X X	X X X		
6.	2003 .....		X X X	X X X	X X X	

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	Prior to 1999 .....	X X X			X X X		X X X				X X X
2.	1999 .....										
3.	2000 .....			<b>N O N E</b>							
4.	2001 .....										
5.	2002 .....										
6.	2003 .....										
7.	TOTAL (Lines 1 through 6) .....	X X X			X X X		X X X				X X X
8.	TOTAL (Lines 2 through 6) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY**

	1	2	3	4	5	6	7	8	9	10	11	12
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
POLICY RESERVE												
1. Unearned premium reserves .....												
2. Additional policy reserves (a) .....												
3. Reserve for future contingent benefits .....												
4. Reserve for rate credits or experience rating refunds (including \$#####) for investment income .....												
5. Aggregate write-ins for other policy reserves .....												
6. Totals (gross) .....												
7. Reinsurance ceded .....												
8. Totals (Net) (Page 3, Line 4) .....												
CLAIM RESERVE												
9. Present value of amounts not yet due on claims .....												
10. Reserve for future contingent benefits .....												
11. Aggregate write-ins for other claim reserves .....												
12. Totals (gross) .....												
13. Reinsurance ceded .....												
14. Totals (Net) (Page 3, Line 7) .....												
DETAILS OF WRITE-INS												
0501 .....												
0502 .....												
0503 .....												
0598. Summary of remaining write-ins for Line 5 from overflow page .....												
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....												
1101 .....												
1102 .....												
1103 .....												
1198. Summary of remaining write-ins for Line 11 from overflow page .....												
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....												

(a) Includes \$. premium deficiency reserve.

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 3 - ANALYSIS OF EXPENSES**

	1	2	3	4
	Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$..... for occupancy of own building) .....	2,496,737	2,042,785		4,539,522
2. Salaries, wages and other benefits .....	32,406,624	26,514,510		58,921,134
3. Commissions (less \$..... ceded plus \$..... assumed) ...				
4. Legal fees and expenses .....	254,769	208,447		463,216
5. Certifications and accreditation fees .....				
6. Auditing, actuarial and other consulting services .....	815,261	667,032		1,482,293
7. Traveling expenses .....	509,538	416,895		926,433
8. Marketing and advertising .....				
9. Postage, express and telephone .....	2,496,737	2,042,785		4,539,522
10. Printing and office supplies .....	713,353	583,653		1,297,006
11. Occupancy, depreciation and amortization .....	458,584	375,205		833,789
12. Equipment .....	3,159,136	2,584,748		5,743,884
13. Cost or depreciation of EDP equipment and software .....	2,089,106	1,709,269		3,798,375
14. Outsourced services including EDP, claims, and other services .....	764,307	625,342		1,389,649
15. Boards, bureaus and association fees .....	407,630	333,516		741,146
16. Insurance, except on real estate .....	407,630	333,516		741,146
17. Collection and bank service charges .....				
18. Group service and administration fees .....				
19. Reimbursements by uninsured accident and health plans .....	(63,591,636)	(52,029,520)		(115,621,156)
20. Reimbursements from fiscal intermediaries .....				
21. Real estate expenses .....	1,222,891	1,000,548		2,223,439
22. Real estate taxes .....	254,769	208,447		463,216
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes .....				
23.2 State premium taxes .....	13,663,015	11,178,830		24,841,845
23.3 Regulator authority licenses and fees .....				
23.4 Payroll taxes .....	1,885,291	1,542,511		3,427,802
23.5 Other (excluding federal income and real estate taxes) .....				
24. Investment expenses not included elsewhere .....			294,407	294,407
25. Aggregate write-ins for expenses .....	611,448	500,272		1,111,720
26. Total expenses incurred (Lines 1 to 25) .....	1,025,190	838,791	294,407	(a) 2,158,388
27. Less expenses unpaid December 31, current year .....		83,253		83,253
28. Add expenses unpaid December 31, prior year .....		735,405		735,405
29. Amounts receivable relating to uninsured accident and health plans, prior year .....	1,163,332	951,817		2,115,149
30. Amounts receivable relating to uninsured accident and health plans, current year .....	737	603		1,340
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .	(137,405)	539,729	294,407	696,731
<b>DETAILS OF WRITE-INS</b>				
2501. Other Miscellaneous Expense .....	611,448	500,272		1,111,720
2502 .....				
2503 .....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 + 2598)(Line 25 above) .....	611,448	500,272		1,111,720

(a) Includes management fees of \$.....91,154,292 to affiliates and \$..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a)..... 386,111	..... 355,452
1.1	Bonds exempt from U.S. tax .....	(a).....	.....
1.2	Other bonds (unaffiliated) .....	(a).....	.....
1.3	Bonds of affiliates .....	(a).....	.....
2.1	Preferred stocks (unaffiliated) .....	(b).....	.....
2.11	Preferred stocks of affiliates .....	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c).....	.....
4.	Real estate .....	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash/short-term investments .....	(e)..... 519,993	..... 440,120
7.	Derivative instruments .....	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 906,104	..... 795,572
11.	Investment expenses .....		(g)..... 294,407
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g).....
13.	Interest expense .....		(h).....
14.	Depreciation on real estate and other invested assets .....		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....
16.	Total deductions (Lines 11 through 15) .....		..... 294,407
17.	Net Investment income (Line 10 minus Line 16) .....		..... 501,165
DETAILS OF WRITE-INS			
0901	.....	.....	.....
0902	.....	.....	.....
0903	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....	.....

- (a) Includes \$..... accrual of discount less \$.....578,362 amortization of premium and less \$.....28,700 paid for accrued interest on purchases.
- (b) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued dividends on purchases.
- (c) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
- (d) Includes \$..... for company's occupancy of its own buildings; and excluding \$..... interest on encumbrances.
- (e) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.
- (f) Includes \$..... accrual of discount less \$..... amortization of premium.
- (g) Includes \$..... investment expenses and \$..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$..... interest on surplus notes and \$..... interest on capital notes.
- (i) Includes \$..... depreciation on real estate and \$..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1.	U.S. Government bonds .....	.....	.....	.....	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash/short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	.....	.....	.....	.....	.....
DETAILS OF WRITE-INS						
0901	.....	.....	.....	.....	.....	.....
0902	.....	.....	.....	.....	.....	.....
0903	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....	.....	.....	.....

NONE

**EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS**

		1	2	3
		End of Current Year	End of Prior Year	Changes for Year (Increase) or Decrease
1.	Summary of items Page 2, Lines 12 to 20, Column 2 .....	637,250	5,967,574	5,330,324
2.	Other Nonadmitted Assets:			
2.1	Bills receivable .....			
2.2	Leasehold improvements .....			
2.3	Cash advanced to or in the hands of officers and agents .....			
2.4	Loans on personal security, endorsed or not .....			
2.5	Commuted commissions .....			
3.	Total (Lines 2.1 to 2.5) .....			
4.	Aggregate write-ins for other assets .....			
5.	TOTAL (Line 1 plus Line 3 and Line 4) .....	637,250	5,967,574	5,330,324
DETAILS OF WRITE-INS				
0401	.....			
0402	.....			
0403	.....			
0498.	Summary of remaining write-ins for Line 4 from overflow page .....			
0499.	TOTALS (Lines 0401 through 0403 plus 0498) (Line 4 above) .....			

**EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	.....	.....	.....	.....	.....	..... (111)
2.	Provider Service Organizations .....	.....	.....	.....	.....	.....	.....
3.	Preferred Provider Organizations .....	.....	.....	.....	.....	.....	.....
4.	Point of Service .....	.....	.....	.....	.....	.....	.....
5.	Indemnity Only .....	.....	.....	.....	.....	.....	.....
6.	Aggregate write-ins for other lines of business .....	.....	.....	.....	.....	.....	.....
7.	TOTAL .....	.....	.....	.....	.....	.....	..... (111)
DETAILS OF WRITE-INS							
0601	.....	.....	.....	.....	.....	.....	.....
0602	.....	.....	.....	.....	.....	.....	.....
0603	.....	.....	.....	.....	.....	.....	.....
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	.....	.....	.....	.....	.....	.....
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	.....	.....	.....	.....	.....	.....

**EXHIBIT 3 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID**

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
	NONE					
0599999 Accident and health premiums due and unpaid (Page 2, Line 12) ..	.....	.....	.....	.....	.....	.....

**EXHIBIT 4 - HEALTH CARE RECEIVABLES**

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
<b>Receivables not individually listed</b>						
Walgreen's .....	53					53
0499999 Total - Receivables not inidivdually listed .....						
0599999 Health care receivables .....	53					53

**EXHIBIT 5 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
<div>NONE</div>						
0899999 Accrued Medical Incentive Pool and Bonus Amounts .....						.....

**EXHIBIT 6 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES**

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
<b>Individually listed receivables</b>							
BlueCross BlueShield of Tennessee, Inc. ....	150,003					150,003	
0199999 Total - Individually listed receivables .....	150,003					150,003	
0299999 Receivables not inidividually listed .....							
0399999 Total gross amounts receivable .....	150,003					150,003	

**EXHIBIT 7 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES**

1	2	3	4	5
Affiliate	Description	Amount	Current	Non-Current
<b>Individually listed payables</b>				
BlueCross BlueShield of Tennessee, Inc. ....	ITS claims .....	72,422	72,422	
0199999 Total - Individually listed payables .....	X X X .....	72,422	72,422	
0299999 Payables not individually listed .....	X X X .....			
0399999 Total gross payables .....	X X X .....	72,422	72,422	

**EXHIBIT 8 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS**

	1	2	3	4	5	6
Payment Method	Direct Medical Expense Payment	Column 1 as a % of Total	Total Members Covered	Column 3 as a % of Total	Column 1 Expenses Paid to Affiliated Providers	Column 1 Expenses Paid to Non-Affiliated Providers
<b>Capitation Payments:</b>						
1. Medical groups .....	(2,480)	0.104				(2,480)
2. Intermediaries .....	111,951	(4.675)				111,951
3. All other providers .....						
4. Total capitation payments .....	109,471	(4.572)				109,471
<b>Other Payments:</b>						
5. Fee-for-service .....			X X X	X X X		
6. Contractual fee payments .....	(2,328,719)	97.252	X X X	X X X		(2,328,719)
7. Bonus/withhold arrangements - fee-for-service .....			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments .....	(175,280)	7.320	X X X	X X X		(175,280)
9. Non-contingent salaries .....			X X X	X X X		
10. Aggregate cost arrangements .....			X X X	X X X		
11. All other payments .....			X X X	X X X		
12. Total other payments .....	(2,503,999)	104.572	X X X	X X X		(2,503,999)
13. Total (Line 4 plus Line 12) .....	(2,394,528)	100.000	X X X	X X X		(2,394,528)

**EXHIBIT 8 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES**

1	2	3	4	5	6
NAIC Code	Name of Intermediary	Capitation Paid	Average Monthly Capitation	Intermediary's Total Adjusted Capital	Intermediary's Authorized Control Level RBC
.....	Scrip Pharmacy .....	61,659	10,277	.....	.....
.....	Tennessee Health Partnership .....	26,097	2,175	.....	.....
.....	PCS Health Systems .....	24,195	4,032	.....	.....
9999999 .....		111,951	X X X	X X X	X X X

**EXHIBIT 9 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED**

		1	2	3	4	5	6
Description		Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1.	Administrative furniture and equipment .....						
2.	Medical furniture, equipment and fixtures .....	N O N E					
3.	Pharmaceuticals and surgical supplies .....						
4.	Durable medical equipment .....						
5.	Other property and equipment .....						
6.	Total .....						

## Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Volunteer State Health Plan, Inc. (VSHP) (the Company) are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance (TDCI).

The TDCI, TennCare Division, recognizes only statutory accounting practices prescribed or permitted by the State of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Tennessee. The Commissioner of Insurance has the right to permit specific practices that deviate from prescribed practices.

The Company, at the direction of the Commissioner of Insurance of the State of Tennessee, records premium and claims equivalents for the uninsured Exigency period (July 1, 2000 – June 30, 2001), instead of reporting the net gain/(loss) in the general administrative expense line of the current year column as required by NAIC SAP. If premium equivalents were not recorded, revenues would not be increased and claims would be increased \$48,569 YTD. The Exigency agreement with the State allowed VSHP to retain 1/3 of any gain and the State to receive 2/3 of any gain. The State covers any claims losses. A cash settlement of \$55,681,476 was made on December 20, 2002 for the 2/3 calculated gain settlement plus all December 2001 thru November 2002 activity. During 2003 activity was settled monthly on a cash basis.

At the request of the TDCI, TennCare Division, VSHP no longer reports for ASOs the receivables and associated payables to the State of Tennessee for pharmacy rebates, investment interest income, and premium taxes. The rationale behind the exclusion is these assets have no economic benefit to VSHP.

The TDCI, TennCare Division, allows a prescribed practice of admitting the most current 90 days of Health Care Receivables (per Tennessee Code Annotated (TCA) §56-32-212 (a) 5D).

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Tennessee is shown below:

	<u>2003</u>	<u>2002</u>
(1) Net Income Tennessee state basis	\$ (250,577)	\$(12,466,504)
(2) Tennessee Prescribed Practices (Income):		
Admission of Health Care Receivables	<u>0</u>	<u>0</u>
(3) Net Income, NAIC SAP	(250,577)	(12,466,504)
(4) Statutory Surplus, State of Tennessee	32,762,805	34,673,137
(5) Tennessee Prescribed Practices (Surplus)		
Admission of Health Care Receivables	<u>(53)</u>	<u>(16,526)</u>
(6) Statutory Surplus, NAIC SAP	\$ 32,762,752	\$ 34,656,611

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums and administrative fees are recorded based on remittance information from the State of Tennessee. Accrued medical claims and related expenses (hospitalization and other outside medical services) include amounts reported in process of adjustment and an estimate of costs incurred but not reported. These reserves are estimated using historical lag patterns and cost and enrollment trends.

In accordance with Tennessee Code Annotated (TCA) §56-11-206(b) the maximum amount of dividends which can be paid by State of Tennessee insurance companies to shareholders without prior approval of the Insurance Commissioner is subject to restrictions relating to the greater of ten percent (10%) of net worth of the preceding December 31 or the net gain from operations for the preceding year. The Company may currently pay dividends of \$3,467,314 to the Parent based on the 2002 net worth. Any material dividend distributions require approval by the TDCI.

# Notes to Financial Statement

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
- (3) The company does not hold common stock.
- (4) The company does not hold preferred stock.
- (5) The company does not hold mortgage loans.
- (6) The company does not hold loan-backed securities.
- (7) The company does not hold investments in subsidiaries, controlled and affiliated companies.
- (8) The company does not have minor ownership interests in joint ventures.
- (9) The company does not carry derivatives.
- (10) The Company uses anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid claims and claims adjustment expenses include estimates based on past experience for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Corrections of Errors

A. Disclosure of material changes in accounting principles and/or correction of errors.

Due to the addition of line 13 on page 3, cash suspense/clearing for the prior year has been reclassified from aggregate write-ins to line 13.

During the preparation of the 2003 Annual Statement an error was discovered in the application of the GAAP to SAP difference in Deferred Tax Assets. For the periods 2001 and 2002 this difference was recorded as an amount due to or from the parent. The difference should have been an increase or decrease to surplus. The correction of \$4,025,418 has been reflected as a reduction to surplus in the aggregate write-ins on page 5, line 4701. This amount has been offset by a decrease in non-admitted assets of \$(2,931,284) for a net decrease to surplus of \$(1,094,134) from the September 30, 2003 filing. The TDCI, TennCare Division, has determined that this correction does not affect VSHP's ability to meet its statutory minimum net worth in any of the prior three years and thus no restatement of prior years financials will be required.

B. Initial Implementation of Codification:

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Tennessee. Effective January 1, 2001, the State of Tennessee required that insurance companies domiciled in the State of Tennessee prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual - Version effective January 1, 2001 subject to any deviations prescribed or permitted by the State of Tennessee Insurance Commissioner.

Accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures* manual - Version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. The Company reported a change of accounting principle, as an adjustment that decreased unassigned funds (surplus), in the amount of \$7,517,047 as of January 1, 2001 related to health care receivables and deferred tax assets.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable

Notes to Financial Statement

- B. Statutory Merger

Not Applicable
- C. Assumption Reinsurance

Not Applicable
- D. Impairment Loss

Not Applicable
4. Discontinued Operations

Not Applicable
5. Investments

A. Mortgage Loans

Not Applicable

B. Debt Restructuring

Not Applicable

C. Reverse Mortgages

Not Applicable

D. Loan-Backed Securities

Not Applicable

E. Repurchase Agreements

Not Applicable

F. Real Estate

Not Applicable
6. Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable
7. Investment Income

A. No investment income due and accrued was excluded from surplus.

B. The total amount excluded was \$ 0.
8. Derivative Instruments

Not Applicable
9. Income Taxes

A. The components of the net DTA recognized in the Company’s Assets, Liabilities, Surplus, and Other Funds are as follows:

	<u>December 31, 2003</u>	<u>December 31, 2002</u>
(1)Total gross deferred tax assets	\$ 637,250	\$ 2,675,046
(2)Total of deferred tax liabilities	<u>0</u>	<u>0</u>
(3)Net deferred tax asset	637,250	2,675,046
(4)Deferred tax asset nonadmitted	<u>637,250</u>	<u>972,774</u>
(5)Net admitted deferred tax asset	0	1,702,272
(6)Increase (decrease) in nonadmitted asset	\$ (335,524)	\$ (299,093)

Notes to Financial Statement

B. Deferred tax liabilities are not recognized for the following amounts:

- (1) Policyholder Surplus - Not Applicable
- (2) Foreign Subsidiaries - Not Applicable

C. The provisions for incurred taxes on earnings for the years ended December 31 are:

	2003	2002
Federal	\$ (579,508)	\$(8,396,968)
Foreign	<u>0</u>	<u>0</u>
	(579,508)	(8,396,968)
Federal income tax on net capital gains	0	0
Utilization of capital loss carry-forwards	<u>0</u>	<u>0</u>
Federal and foreign income taxes incurred	\$ (579,508)	\$(8,396,968)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

	December 31, 2003	December 31, 2002
Deferred tax assets:		
Loss Reserve Discounting	\$ 1,309	\$ 14,917
Receivables	390,941	2,152,629
Contingency	<u>245,000</u>	<u>507,500</u>
Total deferred tax assets	637,250	2,675,046
Nonadmitted deferred tax assets	<u>(637,250)</u>	<u>(972,774)</u>
Admitted deferred tax assets	0	1,702,272
Deferred tax liabilities	<u>0</u>	<u>0</u>
Net admitted deferred tax asset	\$ 0	\$1,702,272

D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before taxes. The significant items causing this difference are as follows:

	December 31, 2003	Effective Tax Rate
Provision computed at statutory rate	\$ (289,911)	(35.0)%
Loss Reserve Discounting	( 13,608)	(1.6)%
Contingency	(262,500)	(31.8)%
Receivables	<u>( 13,489)</u>	<u>(1.6)%</u>
Total	(579,508)	(70.0)%
Federal and foreign income taxes incurred	(289,911)	(35.0)%
Change in net deferred income taxes	<u>(289,597)</u>	<u>(35.0)%</u>
Total statutory income taxes	(579,508)	(70.0)%

E. The Company has no net capital loss carryforwards.

F. The Company’s federal Income Tax return is consolidated with the following entities:

- BlueCross BlueShield of Tennessee, Inc.
- Tennessee Health Care Network, Inc.
- Golden Security Insurance Company, Inc.
- Group Insurance Services, Inc.
- Southern Diversified Business Services, Inc.

The method of tax allocation between members of the affiliated group is subject to written agreement, approved by the Board of Directors. Allocation is based upon a percentage calculation. Intercompany tax balances are settled monthly.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. The Company is a wholly owned subsidiary of BlueCross BlueShield of Tennessee, Inc. (The Parent).

The Parent owns 100% of Southern Diversified Business Services, Inc. (SDBS) which made a cash purchase price of \$4,500,000 for the purchase of 4,500,000 shares of preferred stock of H A Holdings, Inc., effective August 26, 2003. This represents 29.31% of outstanding stock. H A Holdings, Inc. is a specialty mail order pharmacy for Medicaid subscribers in Illinois, Texas, Mississippi, and Florida. FORM D was filed with the Insurance Department of the State of Tennessee on September 26, 2003.

SDBS owns 100% of Golden Security Insurance Company Inc., which changed its name from Golden Security Life Insurance Company, Inc. effective July 15, 2003.

B. The Company has an administrative service agreement with the Parent, which delegates the performance of administrative services to the Parent in exchange for a fee. A tax sharing agreement also exists and is allocated on a percentage calculation. These amounts are booked and settled on a monthly basis.

Notes to Financial Statement

- C.

The Company paid \$91,727,964 and \$93,583,714 in 2003 and 2002 to the Parent for services performed under the administrative services agreement. The Company returned \$20,725,000 in contributed capital, with the permission of the TDCL, to the Parent during 2002.
- D.

At December 31, 2003, the Company reported \$77,581 as amounts due from the Parent. At December 31, 2002, the Company reported \$175,752 as amounts due to the Parent. These amounts are settled monthly.
- E.

Guarantees or undertakings for the benefit of an affiliate

Not Applicable
- F.

The Company has an administrative services contract with the Parent, under which the Parent receives a fee to provide all administrative services.
- G.

All outstanding shares of the Company are owned by the Parent, BlueCross BlueShield of Tennessee, Inc., an insurance holding company domiciled in the State of Tennessee.
- H.

Amount deducted from the value of an upstream intermediate entity

Not Applicable
- I.

Investment in SCA in excess of 10% of admitted assets

Not Applicable
- J.

Investment in impaired SCA entity

Not Applicable
11.

Debt

A.

Capital Notes

Not Applicable

B.

All Other Debt

Not Applicable

12.

Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The Company has no employees. All personnel services are provided by employees of the Parent through an administrative service agreement. The Parent pays all compensation and funds benefit and retirement plans. All disclosures of retirement plans are included in the Parent’s annual statement.

A.

Defined Benefit Plan

Not Applicable

B.

Defined Contribution Plan

Not Applicable

C.

Multiemployer Plans:

Not Applicable

D.

Consolidated/Holding Company Plans

Not Applicable

E.

Postemployment Benefits and Compensated Absences

Not Applicable

13.

Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations.

(1)

The Company has 1,000 shares authorized, 1,000 shares issued and outstanding of common stock. Par or Stated value is \$100 per share.

(2)

The Company has no preferred stock outstanding.

Notes to Financial Statement

- (3)

In accordance with Tennessee Code Annotated (TCA) §56-11-206(b) the maximum amount of dividends which can be paid by State of Tennessee insurance companies to shareholders without prior approval of the Insurance Commissioner is subject to restrictions relating to the greater of ten percent (10%) of net worth of the preceding December 31 or the net gain from operations for the preceding year. The company may currently pay dividends of \$3,467,314 to the Parent based on the 2002 net worth.
- (4)

Within the limitations of (3) above, there are no other restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (5)

The State of Tennessee requires the Company to hold a statutory deposit. The Company’s statutory deposit equaled \$6,750,000 at 12/31/03.
- (6)

For mutuals, total amount of advances to surplus not repaid  
  
Not Applicable
- (7)

Total stock held for special purposes  
  
Not Applicable
- (8)

Description of changes in any special surplus fund  
  
Not Applicable
- (9)

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

a.

unrealized gains and losses:

Not Applicable

b.

nonadmitted asset values:

\$ 637,250

c.

separate account business

Not Applicable

d.

asset valuation

Not Applicable

e.

provision for reinsurance:

Not Applicable
- (10)

The Company issued no surplus debentures or similar obligations.
- (11)

Impact of the restatement in a quasi-reorganization  
  
Not Applicable
- (12)

Effective date of a quasi-reorganization  
  
Not Applicable

14.

Contingencies

A.

Contingent Commitments  
  
Not Applicable

B.

Assessments  
  
Not Applicable

C.

Gain Contingencies  
  
Not Applicable

D.

All Other Contingencies  
  
Various lawsuits against the Company have arisen in the course of the Company’s business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15.

Leases

A.

Disclosures related to lessee leasing arrangements  
  
Not Applicable

B.

Disclosures related to lessor leasing arrangements  
  
Not Applicable

Notes to Financial Statement

16.

Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

(1)

The Company has no financial instruments with off-balance sheet risk.

(2)

The Company does not use swaps, futures or options.

(3)

The Company has no financial instruments with off-balance sheet risk, and no counterparty exposure.

(4)

The Company has no financial instruments subject to credit risk and therefore is not required to post collateral.
17.

Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A.

Transfers of Receivables Reported as Sales

Not Applicable

B.

Transfer and Servicing of Financial Assets

Not Applicable

C.

Wash Sales

Not Applicable
18.

Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

A.

ASO Plan:

TennCare Select, effective July 1, 2001, and the Stabilization Plan, effective July 1, 2002, are ASO arrangements with the State. The administrative fees received are equivalent to the expenses recorded. Per an Administrative Service Agreement, these expenses are paid to the Parent, who records any gain or (loss) on their books. TennCare Select is reported on the supplemental income statement (Report #2A, p. 5.2). The Stabilization Plan is reported on the supplemental income statement (Report #2A, p. 5.3) All assets related to TennCare Select and the Stabilization Plan are reported in their appropriate categories on the balance sheet. All liabilities for the ASO plans are netted on page 3, line 16 in the category labeled “Liability for amounts held under uninsured accident and health plans”, excluding any ‘due to/from’ transactions occurring between the ASO, insured business, and the Parent.

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2003:

	(1)	(2)	(3)
	ASO	Uninsured	
	Uninsured	Portion of	Total
	<u>Plans</u>	<u>Partially Insured</u>	<u>ASO</u>
	<u>Plans</u>	<u>Plans</u>	
a. Net reimbursement for Administrative Expenses (including Administrative Fees) In excess of actual expenses	\$ (30,500)	\$0	\$ (30,500)
b. Total Net Other Income or Expenses (including interest paid to or received from plans)	0	0	0
c. Net Gain or (Loss) from operations	(30,500)	0	(30,500)
d. Total Claims Payment Volume	\$1,123,106,407	\$0	\$1,123,106,407

B.

ASC Plan

The Company operated under an Exigency agreement with the State for the period July 1, 2000 through June 30, 2001. At the direction of the TDCI, premium and claims equivalents are disseminated throughout the NAIC filing.

C.

Medicare or Other Similarly Structured Cost Based Reimbursement Contract:

Not Applicable
19.

Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.

Not Applicable

# Notes to Financial Statement

20.

September 11 Events

The Company has not incurred material losses as a result of the September 11 events.
21.

Other Items

A. Extraordinary Items

Not Applicable

B. Troubled Debt Restructuring

Not Applicable

C. Other Disclosures

Assets in the amount of \$6,750,000 and \$5,550,000 at December 31, 2003 and 2002, respectively, were on deposit with government authorities or trustees as required by law.

The Company elected to use rounding in reporting amounts in the statement.

Pharmacy payments are reported on Line 2 of Exhibit 8, per discussions with the Department of Insurance, TennCare Division. Because our pharmacy arrangement does not ‘fit’ any of the line descriptions, the State felt that this would be the best reporting option. Pharmacy is not capitated. The Company does have a closed formulary for drugs. Drugs are reimbursed at average wholesale price less discount and are eligible for rebates.

D. Uncollectible premium balances

Not Applicable

E. The Company reported the following non-cash investing and financing activities in 2003.

Not Applicable

F. Business Interruption Insurance Recoveries

Not Applicable
22.

Events Subsequent

Not Applicable
23.

Reinsurance

A. Ceded Reinsurance Report

Not Applicable

B. Uncollectible Reinsurance

Not Applicable

C. Commutation of Ceded Reinsurance

Not Applicable
24.

Retrospectively Rated Contracts

A. The Company does not accrue retrospective premium adjustments.

B. No premiums are subject to retrospective rating.
25.

Change in Incurred Claims and Claim Adjustment Expenses

The estimate of insured incurred claims for loss years 2002 and prior has decreased \$3,950,913 as reflected in the decrease in the reserve estimate from \$1,556,385 as reported in 2002 to \$(2,394,528) as re-estimated in 2003. This decrease is generally the result of actual payments being less than originally projected based on historical patterns of the trends in medical costs principally on group medical lines of insurance. Original estimates are increased or decreased, as additional information becomes available. There are no

Notes to Financial Statement

retrospectively rated policies. Adjustments are made to the reserve estimate for claim adjustment expenses as information becomes available.

26. Intercompany Pooling Arrangements

Not Applicable

27. Structured Settlements

Not Applicable

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Pharmacy rebate receivables are based on pharmacy utilization during the quarter as well as past experience of rebates received. Confirmations are received on a 6 to 7 month lag. At the request of the TDCI, TennCare Division, the Company no longer reports pharmacy rebate receivables for ASO business. As a result, the chart below does not contain information related to ASO business. The chart below is prepared on an incurred basis.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebated as Invoiced/ Confirmed	Actual Rebates Collected Within 90 Days of Invoicing/ Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days of Invoicing/ Confirmation
12/31/03	0	0	0	0	0
09/30/03	0	0	0	0	0
06/30/03	0	0	0	0	0
03/31/02	0	0	0	0	0
12/31/02	0	0	0	0	0
09/30/02	0	0	0	0	0
06/30/02	3,685,177	3,567,551	2,140,531	1,427,020	1,442
03/31/02	3,480,623	3,133,657	1,880,194	1,253,463	(22,339
12/31/01	3,108,329	3,298,554	1,979,132	1,319,422	0
09/30/01	2,968,555	2,647,211	1,588,326	1,111,140	0
06/30/01	4,506,686	5,703,351	3,422,010	2,281,340	(33,133
03/31/01	2,325,298	4,609,875	2,765,925	1,873,498	0

B. Risk Sharing Receivables

Not Applicable

29. Participating Policies

Not Applicable

30. Premium Deficiency Reserve

As of December 31, 2003, the Company had liabilities of \$0 related to premium deficiency reserves.

31. Anticipated Salvage and Subrogation

Not Applicable

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories		Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
		1 Amount	2 Percentage	3 Amount	4 Percentage
1.	Bonds:				
1.1	U.S. treasury securities .....	5,569,821	13.269	5,569,821	13.269
1.2	U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21	Issued by U.S. government agencies .....	11,165,710	26.601	11,165,710	26.601
1.22	Issued by U.S. government sponsored agencies .....				
1.3	Foreign government (including Canada, excluding mortgage-backed securities) .....				
1.4	Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41	States, territories and possessions general obligations .....				
1.42	Political subdivisions of states, territories and possessions and political subdivisions general obligations .....				
1.43	Revenue and assessment obligations .....				
1.44	Industrial development and similar obligations .....				
1.5	Mortgage-backed securities (includes residential and commercial MBS):				
1.51	Pass-through securities:				
1.511	Guaranteed by GNMA .....				
1.512	Issued by FNMA and FHLMC .....				
1.513	Privately issued .....				
1.52	CMOs and REMICs:				
1.521	Issued by FNMA and FHLMC .....				
1.522	Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC .....				
1.523	All other privately issued .....				
2.	Other debt and other fixed income securities (excluding short term):				
2.1	Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....				
2.2	Unaffiliated foreign securities .....				
2.3	Affiliated securities .....				
3.	Equity interests:				
3.1	Investments in mutual funds .....				
3.2	Preferred stocks:				
3.21	Affiliated .....				
3.22	Unaffiliated .....				
3.3	Publicly traded equity securities (excluding preferred stocks):				
3.31	Affiliated .....				
3.32	Unaffiliated .....				
3.4	Other equity securities:				
3.41	Affiliated .....				
3.42	Unaffiliated .....				
3.5	Other equity interests including tangible personal property under lease:				
3.51	Affiliated .....				
3.52	Unaffiliated .....				
4.	Mortgage loans:				
4.1	Construction and land development .....				
4.2	Agricultural .....				
4.3	Single family residential properties .....				
4.4	Multifamily residential properties .....				
4.5	Commercial loans .....				
4.6	Mezzanine real estate loans .....				
5.	Real estate investments:				
5.1	Property occupied by company .....				
5.2	Property held for production of income (includes \$..... of property acquired in satisfaction of debt) .....				
5.3	Property held for sale (\$..... including property acquired in satisfaction of debt) .....				
6.	Policy loans .....				
7.	Receivables for securities .....				
8.	Cash and short-term investments .....	25,239,878	60.130	25,239,878	60.130
9.	Other invested assets .....				
10.	Total invested assets .....	41,975,409	100.000	41,975,409	100.000

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
**GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[ ] N/A[ ]  
Tennessee
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[ ] No[X]
- 2.2 If yes, date of change:  
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2002
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2002
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

12/10/2003
- 3.4 By what department or departments?  
Tennessee Department of Commerce and Insurance
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[ ] No[X]
- 4.12 renewals?

Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[ ] No[X]
- 4.22 renewals?

Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement)

Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[ ] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

**GENERAL INTERROGATORIES (continued)**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
.....	.....	.. Yes[ ] No[X] ..	.. Yes[ ] No[X] ..	.. Yes[ ] No[X] ..	.. Yes[ ] No[X] ..	.. Yes[ ] No[X] ..

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young - 300 Krystal Building - One Union Square - Chattanooga, TN 37402
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Betty Anne Neal, FSA, MAAA - Vice President of Underwriting & Actuarial Services - BlueCross BlueShield of Tennessee
11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 11.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

N/A
- 11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[X] No[ ]
- 11.3 Have there been any changes made to any of the trust indentures during the year?

Yes[ ] No[X]
- 11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes?

Yes[ ] No[ ] N/A[X]

**BOARD OF DIRECTORS**

12. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[ ]
13. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[ ]
14. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person?

Yes[X] No[ ]

**FINANCIAL**

- 15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 15.11 To directors or other officers

\$ .....
- 15.12 To stockholders not officers

\$ .....
- 15.13 Trustees, supreme or grand (Fraternal only)

\$ .....
- 15.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 15.21 To directors or other officers

\$ .....
- 15.22 To stockholders not officers

\$ .....
- 15.23 Trustees, supreme or grand (Fraternal only)

\$ .....
- 16.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[ ] No[X]
- 16.2 If yes, state the amount thereof at December 31 of the current year:
- 16.21 Rented from others

\$ .....
- 16.22 Borrowed from others

\$ .....
- 16.23 Leased from others

\$ .....
- 16.24 Other

\$ .....
- Disclose in Notes to Financial the nature of each obligation.
- 17.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[ ] No[X]
- 17.2 If answer is yes:
- 17.21 Amount paid as losses or risk adjustment

\$ .....
- 17.22 Amount paid as expenses

\$ .....
- 17.23 Other amounts paid

\$ .....

**GENERAL INTERROGATORIES (continued)**

**INVESTMENT**

18. List the following capital stock information for the reporting entity:

Class		1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
1.	Preferred .....	.....	.....	.....	.....	Yes[ ] No[ ] N/A[X]	Yes[ ] No[ ] N/A[X]
2.	Common .....	..... 1,000.000	..... 1,000.000	..... 100.000	..... X X X .....	..... X X X .....	..... X X X .....

19.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes[ ] No[X]

19.2 If no, give full and complete information, relating thereto:  
Union Planters Trust - Memphis, TN

20.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1). Yes[ ] No[X]

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21 Loaned to others

20.22 Subject to repurchase agreements

20.23 Subject to reverse repurchase agreements

20.24 Subject to dollar repurchase agreements

20.25 Subject to reverse dollar repurchase agreements

20.26 Pledged as collateral

20.27 Placed under option agreements

20.28 Letter stock or securities restricted as to sale

20.29 Other

\$ .....

\$ .....

\$ .....

\$ .....

\$ .....

\$ .....

\$ .....

\$ .....

\$ .....

20.3 For each category above, if any of these assets are held by other, identify by whom held:

- 20.31
- 20.32
- 20.33
- 20.34
- 20.35
- 20.36
- 20.37
- 20.38
- 20.39

For categories (20.21) and (20.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

20.4 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[ ] No[X]

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[ ] No[ ] N/A[X]  
If no, attach a description with this statement.

22.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[ ] No[X]

22.2 If yes, state the amount thereof at December 31 of the current year. \$ .....

**GENERAL INTERROGATORIES (continued)**

**INVESTMENT**

23. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?
- 23.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[X] No[ ]

1 Name of Custodian(s)	2 Custodian's Address
Union Planters Bank N.A. ....	PO Box 387 Memphis, TN 38119 .....
Mellon Bank N.A. ....	PO Box 371791 Pittsburgh, PA 15251 .....

- 23.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....

- 23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year?
- 23.04 If yes, give full and complete information relating thereto:
- Yes[ ] No[X]

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....

- 23.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
17454 .....	Mellon Bank N.A. ....	PO Box 371791 Pittsburgh, PA 15251 .....
111807 .....	Union Planters Bank N.A. ....	PO Box 387 Memphis, TN 38147 .....

- 24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?
- 24.2 If yes, complete the following schedule:
- Yes[ ] No[X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
24.2999 Total .....	.....	.....

- 24.3 For each mutual fund listed in the table above, complete the following schedule:

1  Name of Mutual Fund (from above table)	2  Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4  Date of Valuation
.....	.....	.....	.....

**GENERAL INTERROGATORIES (Continued)**

**OTHER**

25.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ .....  
25.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

26.1 Amount of payments for legal expenses, if any? \$ .....  
26.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

27.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ .....  
27.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

**GENERAL INTERROGATORIES (continued)**

**PART 2 - HEALTH INTERROGATORIES**

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[ ] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only:

\$ .....
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ .....
- 1.31 Reason for excluding:
- 1.4 Indicate amount of premium earned attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ .....
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ .....
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned

\$ .....
- 1.62 Total incurred claims

\$ .....
- 1.63 Number of covered lives

\$ .....
- All years prior to most current three years:
- 1.64 Total premium earned

\$ .....
- 1.65 Total incurred claims

\$ .....
- 1.66 Number of covered lives

\$ .....
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned

\$ .....
- 1.72 Total incurred claims

\$ .....
- 1.73 Number of covered lives

\$ .....
- All years prior to most current three years:
- 1.74 Total premium earned

\$ .....
- 1.75 Total incurred claims

\$ .....
- 1.76 Number of covered lives

\$ .....

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator .....	(3,418,182)	290,620,958
2.2	Premium Denominator .....	(3,418,182)	290,620,958
2.3	Premium Ratio (2.1 / 2.2) .....	1.000	1.000
2.4	Reserve Numerator .....		1,556,385
2.5	Reserve Denominator .....		1,556,385
2.6	Reserve Ratio (2.4 / 2.5) .....		1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[ ] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes[X] No[ ]
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[ ] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance?

Yes[ ] No[X]
- 5.2 If no, explain:

For the period July 2001 - June 2002, the Company is only at risk for a maximum of \$33M. Effective July 2002, the Company entered into a non-risk bearing arrangement with the State of Tennessee. The Company reached the \$33M loss limit in 2002.
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical

\$ .....
- 5.32 Medical Only

\$ .....
- 5.33 Medicare Supplement

\$ .....
- 5.34 Dental

\$ .....
- 5.35 Other Limited Benefit Plan

\$ .....
- 5.36 Other

\$ .....
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

If insolvency occurs, BCBST satisfies claims for the covered period. All agreements with providers include statutory hold harmless provisions. Other MCOs in the State would be required to take enrollees.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service data base?

Yes[X] No[ ]
- 7.2 If no, give details:
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year

10602
- 8.2 Number of providers at end of reporting year

12394
- 9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[ ] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months

0
- 9.22 Business with rate guarantees over 36 months

0

**GENERAL INTERROGATORIES (continued)**  
**PART 2 - HEALTH INTERROGATORIES**

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[ ]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses

\$ .....
- 10.22 Amount actually paid for year bonuses

\$ .....
- 10.23 Maximum amount payable withholds

\$ .....
- 10.24 Amount actually paid for year withholds

\$ .....
- 11.1 Is the reporting entity organized as:
- 11.12 A medical Group/Staff Model,

Yes[ ] No[X]
- 11.13 An Individual Practice Association (IPA), or,

Yes[ ] No[X]
- 11.14 A Mixed Model (combination of above)?

Yes[ ] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[ ]
- 11.3 If yes, show the name of the state requiring such net worth.

Tennessee
- 11.4 If yes, show the amount required.

\$ ..... 20,347,984
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[ ] No[X]
- 11.6 If the amount is calculated, show the calculation.

4% times the first \$150M in dollars received plus 1.5% for any dollars received over the first \$150M
12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
First Tennessee CSA, TN .....
Southeast CSA, TN .....
Upper Cumberland CSA, TN .....
Hamilton County CSA, TN .....
Mid-Cumberland CSA, TN .....
South Central CSA, TN .....
Davidson County CSA, TN .....
Northwest CSA, TN .....
Southwest CSA, TN .....
Shelby County CSA, TN .....
East Tennessee CSA, TN .....
Knox County CSA, TN .....

FIVE-YEAR HISTORICAL DATA

	1 2003	2 2002	3 2001	4 2000	5 1999
<b>BALANCE SHEET ITEMS (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 26) .....	42,391,482	54,419,629	220,291,361	271,783,526	188,654,609
2. Total liabilities (Page 3, Line 22) .....	9,628,677	19,746,492	155,595,505	202,969,166	120,325,362
3. Statutory surplus .....	20,347,984	16,673,233	19,844,344	27,880,145	16,033,674
4. Total capital and surplus (Page 3, Line 30) .....	32,762,805	34,673,137	64,695,856	68,814,360	68,329,247
<b>INCOME STATEMENT ITEMS (Page 4)</b>					
5. Total revenues (Line 8) .....	(3,418,182)	290,620,958	847,690,612	1,048,472,108	993,310,449
6. Total medical and hospital expenses (Line 18) .....	(3,950,913)	283,587,061	747,928,062	950,997,592	903,481,582
7. Total administrative expenses (Line 21) .....	838,791	13,783,835	41,055,640	107,623,924	101,852,725
8. Net underwriting gain (loss) (Line 24) .....	(1,331,250)	(23,596,848)	8,527,795	(10,149,408)	(12,023,858)
9. Net investment gain (loss) (Line 27) .....	501,165	2,733,376	12,453,462	13,136,351	10,595,669
10. Total other income (Lines 28 plus 29) .....					
11. Net income or (loss) (Line 32) .....	(250,577)	(12,466,504)	16,569,101	2,986,943	(1,428,189)
<b>RISK-BASED CAPITAL ANALYSIS</b>					
12. Total adjusted capital .....	32,762,805	34,673,137	64,695,856	68,814,360	68,329,247
13. Authorized control level risk-based capital .....	1,232,559	10,342,692	9,875,529	15,928,978	25,723,270
<b>ENROLLMENT (Exhibit 2)</b>					
14. Total members at end of period (Column 5, Line 7) .....			288,358	591,137	630,563
15. Total members months (Column 6, Line 7) .....	(111)	1,727,303	5,346,473	7,242,417	7,484,895
<b>OPERATING PERCENTAGE (Page 4)</b>					
<b>(Item divided by Page 4, sum of Lines 2, 3 and 5)</b>					
16. Premiums earned (Lines 2 plus 3) .....	100.0	100.0	100.0	100.0	100.0
17. Total hospital and medical (Line 18) .....	115.6	97.6	86.8	88.6	91.3
18. Total underwriting deductions (Line 23) .....	61.1	108.1	97.4	98.7	101.6
19. Total underwriting gain (loss) (Line 24) .....	38.9	(8.1)	1.0	(0.9)	(1.2)
<b>UNPAID CLAIMS ANALYSIS</b>					
<b>(U&amp;I Exhibit, Part 2B)</b>					
20. Total claims incurred for prior years (Line 12, Col. 5) .....	(2,394,528)	86,345,600	162,150,890	88,521,059	100,802,977
21. Estimated liability of unpaid claims-[prior year (Line 12, Col. 6)] ..	1,556,385	97,761,847	165,006,020	102,928,244	109,031,843
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1) .....					
23. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1) .....					
24. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2) .....					
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11) .....					
26. Affiliated mortgage loans on real estate .....					
27. All other affiliated .....					
28. Total of above Lines 22 to 27 .....					



**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)**

REPORT FOR: 1. CORPORATION: 2. DIVISION:

NAIC Group Code 0000

BUSINESS IN THE STATE OF **GRAND TOTAL** DURING THE YEAR

NAIC Company Code 00000

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
<b>Total Members at end of:</b>													
1. Prior Year .....													
2. First Quarter .....													
3. Second Quarter .....													
4. Third Quarter .....													
5. Current Year .....													
6. Current Year Member Months .....	(111)								(111)				
<b>Total Member Ambulatory Encounters for Year:</b>													
7. Physician .....	(1,003)								(1,003)				
8. Non-Physician .....	(3,113)								(3,113)				
9. Total .....	(4,116)								(4,116)				
10. Hospital Patient Days Incurred .....	122								122				
11. Number of Inpatient Admissions .....	(41)								(41)				
12. Health Premiums Collected .....	(3,418,182)								(3,418,182)				
13. Life Premiums Direct .....													
14. Property/Casualty Premiums Written .....													
15. Health Premiums Earned .....	(3,418,182)								(3,418,182)				
16. Property/Casualty Premiums Earned .....													
17. Amount Paid for Provision of Health Care Services .....	(2,394,528)								(2,394,528)				
18. Amount of Incurred for Provision of Health Care Services .....	(3,950,913)								(3,950,913)				

35 Grand Total

(a) For health business: number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....



**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)**

REPORT FOR: 1. CORPORATION: 2. DIVISION:

NAIC Group Code 0000

BUSINESS IN THE STATE OF **TENNESSEE** DURING THE YEAR

NAIC Company Code 00000

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
<b>Total Members at end of:</b>													
1. Prior Year .....													
2. First Quarter .....													
3. Second Quarter .....													
4. Third Quarter .....													
5. Current Year .....													
6. Current Year Member Months .....	(111)								(111)				
<b>Total Member Ambulatory Encounters for Year:</b>													
7. Physician .....	(1,003)								(1,003)				
8. Non-Physician .....	(3,113)								(3,113)				
9. Total .....	(4,116)								(4,116)				
10. Hospital Patient Days Incurred .....	122								122				
11. Number of Inpatient Admissions .....	(41)								(41)				
12. Health Premiums Collected .....	(3,418,182)								(3,418,182)				
13. Life Premiums Direct .....													
14. Property/Casualty Premiums Written .....													
15. Health Premiums Earned .....	(3,418,182)								(3,418,182)				
16. Property/Casualty Premiums Earned .....													
17. Amount Paid for Provision of Health Care Services .....	(2,394,528)								(2,394,528)				
18. Amount of Incurred for Provision of Health Care Services .....	(3,950,913)								(3,950,913)				

(a) For health business: number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

**SCHEDULE A - VERIFICATION BETWEEN YEARS**

1.	Book/adjusted carrying value, December 31, prior year (prior year statement) .....	
2.	Increase (decrease) by adjustment:	
2.1	Totals, Part 1, Column 10 .....	
2.2	Totals, Part 3, Column 7 .....	
3.	Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9)) .....	
4.	Cost of additions and permanent improvements:	
4.1	Totals, Part 1, Column 13 .....	
4.2	Totals, Part 3, Column 9 .....	
5.	Total profit (loss) on sales, Part 3, Column 14 .....	
6.	Increase (decrease) by foreign exchange adjustment .....	
6.1	Totals, Part 1, Column 11 .....	
6.2	Totals, Part 3, Column 8 .....	
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 12 .....	
8.	Book/adjusted carrying value at the end of current period .....	
9.	Total valuation allowance .....	
10.	Subtotal (Lines 8 plus 9) .....	
11.	Total nonadmitted amounts .....	
12.	Statement value, current period (Page 2, real estate lines, current period) .....	

NONE

**SCHEDULE B - VERIFICATION BETWEEN YEARS**

1.	Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year .....	
2.	Amount loaned during year:	
2.1	Actual cost at time of acquisitions .....	
2.2	Additional investment made after acquisitions .....	
3.	Accrual of discount and mortgage interest points and commitment fees .....	
4.	Increase (decrease) by adjustment .....	
5.	Total profit (loss) on sale .....	
6.	Amounts paid on account or in full during the year .....	
7.	Amortization of premium .....	
8.	Increase (decrease) by foreign exchange adjustment .....	
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....	
10.	Total valuation allowance .....	
11.	Subtotal (Lines 9 plus 10) .....	
12.	Total nonadmitted amounts .....	
13.	Statement value of mortgages owned at end of current period .....	

NONE

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year .....	
2.	Cost of acquisitions during year:	
2.1	Actual cost at time of acquisitions .....	
2.2	Additional investment made after acquisitions .....	
3.	Accrual of discount .....	
4.	Increase (decrease) by adjustment .....	
5.	Total profit (loss) on sale .....	
6.	Amounts paid on account or in full during the year .....	
7.	Amortization of premium .....	
8.	Increase (decrease) by foreign exchange adjustment .....	
9.	Book/adjusted carrying value of long-term invested assets at end of current period .....	
10.	Total valuation allowance .....	
11.	Subtotal (Lines 9 plus 10) .....	
12.	Total nonadmitted amounts .....	
13.	Statement value of long-term invested assets at end of current period .....	

NONE

**SCHEDULE D - SUMMARY BY COUNTRY**  
**Long-term Bonds and Stocks OWNED December 31 of Current Year**

Description			1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1.	United States .....	16,735,531	16,734,933	17,363,364	16,600,000
	2.	Canada .....				
	3.	Other Countries .....				
	4.	Totals .....	16,735,531	16,734,933	17,363,364	16,600,000
States, Territories and Possessions (Direct and Guaranteed)	5.	United States .....				
	6.	Canada .....				
	7.	Other Countries .....				
	8.	Totals .....				
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9.	United States .....				
	10.	Canada .....				
	11.	Other Countries .....				
	12.	Totals .....				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13.	United States .....				
	14.	Canada .....				
	15.	Other Countries .....				
	16.	Totals .....				
Public Utilities (unaffiliated)	17.	United States .....				
	18.	Canada .....				
	19.	Other Countries .....				
	20.	Totals .....				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21.	United States .....				
	22.	Canada .....				
	23.	Other Countries .....				
	24.	Totals .....				
Parent, Subsidiaries and Affiliates	25.	Totals .....				
	26.	Total Bonds .....	16,735,531	16,734,933	17,363,364	16,600,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27.	United States .....				
	28.	Canada .....				
	29.	Other Countries .....				
	30.	Totals .....				
Banks, Trust and Insurance Companies (unaffiliated)	31.	United States .....				
	32.	Canada .....				
	33.	Other Countries .....				
	34.	Totals .....				
Industrial and Miscellaneous (unaffiliated)	35.	United States .....				
	36.	Canada .....				
	37.	Other Countries .....				
	38.	Totals .....				
Parent, Subsidiaries and Affiliates	39.	Totals .....				
	40.	Total Preferred Stocks .....				
COMMON STOCKS Public Utilities (unaffiliated)	41.	United States .....				
	42.	Canada .....				
	43.	Other Countries .....				
	44.	Totals .....				
Banks, Trust and Insurance Companies (unaffiliated)	45.	United States .....				
	46.	Canada .....				
	47.	Other Countries .....				
	48.	Totals .....				
Industrial and Miscellaneous (unaffiliated)	49.	United States .....				
	50.	Canada .....				
	51.	Other Countries .....				
	52.	Totals .....				
Parent, Subsidiaries and Affiliates	53.	Totals .....				
	54.	Total Common Stocks .....				
	55.	Total Stocks .....				
	56.	Total Bonds and Stocks .....	16,735,531	16,734,933	17,363,364	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$.....

**SCHEDULE D - Verification Between Years**

1. Book/adjusted carrying value of bonds and stocks, prior year.	19,994,049	6. Foreign Exchange Adjustment	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	1,319,844	6.1 Column 17, Part 1.....	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....	
3.1 Column 16, Part 1.....	(482,563)	6.3 Column 11, Part 2, Section 2.....	
3.2 Column 12, Part 2, Section 1.....		6.4 Column 11, Part 4.....	
3.3 Column 10, Part 2, Section 2.....			
3.4 Column 10, Part 4.....	(95,799)	7. Book/adjusted carrying value at end of current period.....	16,735,531
4. Total gain (loss), Column 14, Part 4.....		8. Total valuation allowance.....	
5. Deduct consideration for bonds and stocks disposed of		9. Subtotal (Lines 7 plus 8).....	16,735,531
Column 6, Part 4.....	4,000,000	10. Total nonadmitted assets.....	
		11. Statement value of bonds and stocks, current period.....	16,735,531

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1.	U.S. Government, Schedules D & DA (Group 1)											
1.1	Class 1	51,939,232	1,297,102				53,236,334	100.00	62,070,979	100.00	53,236,334	
1.2	Class 2											
1.3	Class 3											
1.4	Class 4											
1.5	Class 5											
1.6	Class 6											
1.7	TOTALS	51,939,232	1,297,102				53,236,334	100.00	62,070,979	100.00	53,236,334	
2.	All Other Governments, Schedules D & DA (Group 2)											
2.1	Class 1											
2.2	Class 2											
2.3	Class 3											
2.4	Class 4											
2.5	Class 5											
2.6	Class 6											
2.7	TOTALS											
3.	States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1	Class 1											
3.2	Class 2											
3.3	Class 3											
3.4	Class 4											
3.5	Class 5											
3.6	Class 6											
3.7	TOTALS											
4.	Political Subdivisions of States, Territories & Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1	Class 1											
4.2	Class 2											
4.3	Class 3											
4.4	Class 4											
4.5	Class 5											
4.6	Class 6											
4.7	TOTALS											
5.	Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1	Class 1											
5.2	Class 2											
5.3	Class 3											
5.4	Class 4											
5.5	Class 5											
5.6	Class 6											
5.7	TOTALS											

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1 .....											
6.2 Class 2 .....											
6.3 Class 3 .....											
6.4 Class 4 .....											
6.5 Class 5 .....											
6.6 Class 6 .....											
6.7 TOTALS .....											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1 .....											
7.2 Class 2 .....											
7.3 Class 3 .....											
7.4 Class 4 .....											
7.5 Class 5 .....											
7.6 Class 6 .....											
7.7 TOTALS .....											
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1 .....											
8.2 Class 2 .....											
8.3 Class 3 .....											
8.4 Class 4 .....											
8.5 Class 5 .....											
8.6 Class 6 .....											
8.7 TOTALS .....											
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Class 1 .....											
9.2 Class 2 .....											
9.3 Class 3 .....											
9.4 Class 4 .....											
9.5 Class 5 .....											
9.6 Class 6 .....											
9.7 TOTALS .....											

NONE

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1 .....	51,939,232	1,297,102				53,236,334	100.00	X X X	X X X	53,236,334	
10.2 Class 2 .....								X X X	X X X		
10.3 Class 3 .....								X X X	X X X		
10.4 Class 4 .....								X X X	X X X		
10.5 Class 5 .....						(c)		X X X	X X X		
10.6 Class 6 .....						(c)		X X X	X X X		
10.7 TOTALS .....	51,939,232	1,297,102				(b) 53,236,334	100.00	X X X	X X X	53,236,334	
10.8 Line 10.7 as a % of Column 6 .....	97.56	2.44				100.00	X X X	X X X	X X X	100.00	
11. Total Bonds Prior Year											
11.1 Class 1 .....	46,172,729	15,898,250				X X X	X X X	62,070,979	100.00	62,070,979	
11.2 Class 2 .....						X X X	X X X				
11.3 Class 3 .....						X X X	X X X				
11.4 Class 4 .....						X X X	X X X				
11.5 Class 5 .....						X X X	X X X	(c)			
11.6 Class 6 .....						X X X	X X X	(c)			
11.7 TOTALS .....	46,172,729	15,898,250				X X X	X X X	(b) 62,070,979	100.00	62,070,979	
11.8 Line 11.7 as a % of Col. 8 .....	74.39	25.61				X X X	X X X	100.00	X X X	100.00	
12. Total Publicly Traded Bonds											
12.1 Class 1 .....	51,939,232	1,297,102				53,236,334	100.00	62,070,979	100.00	53,236,334	X X X
12.2 Class 2 .....											X X X
12.3 Class 3 .....											X X X
12.4 Class 4 .....											X X X
12.5 Class 5 .....											X X X
12.6 Class 6 .....											X X X
12.7 TOTALS .....	51,939,232	1,297,102				53,236,334	100.00	62,070,979	100.00	53,236,334	X X X
12.8 Line 12.7 as a % of Col. 6 .....	97.56	2.44				100.00	X X X	X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10 .....	97.56	2.44				100.00	X X X	X X X	X X X	100.00	X X X
13. Total Privately Placed Bonds											
13.1 Class 1 .....										X X X	
13.2 Class 2 .....										X X X	
13.3 Class 3 .....										X X X	
13.4 Class 4 .....										X X X	
13.5 Class 5 .....										X X X	
13.6 Class 6 .....										X X X	
13.7 TOTALS .....										X X X	
13.8 Line 13.7 as a % of Col. 6 .....							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10 .....							X X X	X X X	X X X	X X X	

(a) Includes \$..... freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
(b) Includes \$..... current year, \$..... prior year of bonds with Z designations and \$..... current year, \$..... prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
(c) Includes \$..... current year, \$..... prior year of bonds with 5\* designations and \$..... current year, \$..... prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

**SCHEDULE D - PART 1A - SECTION 2**

**Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Types of and subtype of Issues**

Distribution by Type		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5  Over 20 Years	6  Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1.	U.S. Governments, Schedules D & DA (Group 1)											
1.1	Issuer Obligations .....	51,939,232	1,297,102				53,236,334	100.00	62,070,979	100.00	53,236,334	
1.2	Single Class Mortgage-Backed/Asset-Backed Bonds .....											
1.7	TOTALS .....	51,939,232	1,297,102				53,236,334	100.00	62,070,979	100.00	53,236,334	
2.	All Other Governments, Schedules D & DA (Group 2)											
2.1	Issuer Obligations .....											
2.2	Single Class Mortgage-Backed/Asset-Backed Bonds .....											
	<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
2.3	Defined .....											
2.4	Other .....											
	<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
2.5	Defined .....											
2.6	Other .....											
2.7	TOTALS .....											
3.	States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)											
3.1	Issuer Obligations .....											
3.2	Single Class Mortgage-Backed/Asset-Backed Bonds .....											
	<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
3.3	Defined .....											
3.4	Other .....											
	<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
3.5	Defined .....											
3.6	Other .....											
3.7	TOTALS .....											
4.	Political Subdivisions of States, Territories & Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1	Issuer Obligations .....											
4.2	Single Class Mortgage-Backed/Asset-Backed Bonds .....											
	<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
4.3	Defined .....											
4.4	Other .....											
	<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
4.5	Defined .....											
4.6	Other .....											
4.7	TOTALS .....											
5.	Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, SCH. D & DA (Group 5)											
5.1	Issuer Obligations .....											
5.2	Single Class Mortgage-Backed/Asset-Backed Bonds .....											
	<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
5.3	Defined .....											
5.4	Other .....											
	<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
5.5	Defined .....											
5.6	Other .....											
5.7	TOTALS .....											

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

**Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Types of and subtype of Issues**

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations .....											
6.2 Single Class Mortgage-Backed/Asset-Backed Securities .....											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
6.3 Defined .....											
6.4 Other .....											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
6.5 Defined .....											
6.6 Other .....											
6.7 TOTALS .....											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations .....											
7.2 Single Class Mortgage-Backed/Asset-Backed Securities .....											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
7.3 Defined .....											
7.4 Other .....											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
7.5 Defined .....											
7.6 Other .....											
7.7 TOTALS .....											
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations .....											
8.7 TOTALS .....											
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations .....											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities .....											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
9.3 Defined .....											
9.4 Other .....											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
9.5 Defined .....											
9.6 Other .....											
9.7 TOTALS .....											

NONE

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Types of and subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
10. Total Bonds Current Year											
10.1 Issuer Obligations .....	51,939,232	1,297,102				53,236,334	100.00	X X X	X X X	53,236,334	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities .....								X X X	X X X		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined .....								X X X	X X X		
10.4 Other .....								X X X	X X X		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined .....								X X X	X X X		
10.6 Other .....								X X X	X X X		
10.7 TOTALS .....	51,939,232	1,297,102				53,236,334	100.00	X X X	X X X	53,236,334	
10.8 Line 10.7 as a % of Column 6 .....	97.56	2.44				100.00	X X X	X X X	X X X	100.00	
11. Total Bonds Prior Year											
11.1 Issuer Obligations .....	46,172,729	15,898,250				X X X	X X X	62,070,979	100.00	62,070,979	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities .....						X X X	X X X				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined .....						X X X	X X X				
11.4 Other .....						X X X	X X X				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined .....						X X X	X X X				
11.6 Other .....						X X X	X X X				
11.7 TOTALS .....	46,172,729	15,898,250				X X X	X X X	62,070,979	100.00	62,070,979	
11.8 Line 11.7 as a % of Column 8 .....	74.39	25.61				X X X	X X X	100.00	X X X	100.00	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations .....	51,939,232	1,297,102				53,236,334	100.00	62,070,979	100.00	53,236,334	X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Securities .....											X X X
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined .....											X X X
12.4 Other .....											X X X
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined .....											X X X
12.6 Other .....											X X X
12.7 TOTALS .....	51,939,232	1,297,102				53,236,334	100.00	62,070,979	100.00	53,236,334	X X X
12.8 Line 12.7 as a % of Column 6 .....	97.56	2.44				100.00	X X X	X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10 .....	97.56	2.44				100.00	X X X	X X X	X X X	100.00	X X X
13. Total Privately Placed Bonds											
13.1 Issuer Obligations .....										X X X	
13.2 Single Class Mortgage-Backed/Asset-Backed Securities .....										X X X	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined .....										X X X	
13.4 Other .....										X X X	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined .....										X X X	
13.6 Other .....										X X X	
13.7 TOTALS .....										X X X	
13.8 Line 13.7 as a % of Column 6 .....							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10 .....							X X X	X X X	X X X	X X X	

**SCHEDULE DA - PART 2**  
**Verification of SHORT-TERM INVESTMENTS Between Years**

		1	2	3	4	5
		Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1.	Book/adjusted carrying value, prior year .....	42,076,930	42,076,930			
2.	Cost of short-term investments acquired .....	1,263,976,972	1,263,976,972			
3.	Increase (decrease) by adjustment .....					
4.	Increase (decrease) by foreign exchange adjustment .....					
5.	Total profit (loss) on disposal of short-term investments .....					
6.	Consideration received on disposal of short-term investments .....	1,269,553,099	1,269,553,099			
7.	Book/adjusted carrying value, current year .....	36,500,803	36,500,803			
8.	Total valuation allowance .....					
9.	Subtotal (Lines 7 plus 8) .....	36,500,803	36,500,803			
10.	Total nonadmitted amounts .....					
11.	Statement value (Lines 9 minus 10) .....	36,500,803	36,500,803			
12.	Income collected during year .....	519,993	519,993			
13.	Income earned during year .....	440,120	440,120			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

**SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS**

Verification Between Years of Aggregate Write-in Book Value on Options, Caps, Floors and Insurance Futures Options Owned		
1.	Aggregate write-in book value, December 31, prior year (Line 8, prior year) .....	.....
2.	Cost/Option Premium (Section 2, Column 7) .....	.....
3.	Increase/(Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13) .....	.....
4.	Gain/(Loss) on Termination	
4.1	Recognized (Section 3, Column 14) .....	
4.2	Used to Adjust Basis of Hedged Item (Section 3, Column 15) .....	
5.	Consideration received on terminations (Section 3, Column 16) .....	
6.	Used to Adjust Basis on Open Contracts (Section 3, Column 17) .....	
7.	Disposition of deferred amount on contracts terminated in prior year:	
7.1	Recognized .....	
7.2	Used to Adjust Basis of Hedged Item .....	
8.	Aggregate write-in book value, December 31, Current Year (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7) .....	.....

**SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS**

Verification Between Years of Aggregate Write-in Book Value on Options, Caps, Floors and Insurance Futures Options Written		
1.	Aggregate write-in book value, December 31, prior year (Line 8, prior year) .....	.....
2.	Consideration received (Section 2, Column 7) .....	.....
3.	Increase/(Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13) .....	.....
4.	Gain/(Loss) on Termination:	
4.1	Recognized (Section 3, Column 14) .....	
4.2	Used to Adjust Basis (Section 3, Column 15) .....	
5.	Consideration paid on terminations (Section 3, Column 16) .....	
6.	Used to Adjust Basis on Open Contracts (Section 3, Column 17) .....	
7.	Disposition of deferred amount on contracts terminated in prior year:	
7.1	Recognized .....	
7.2	Used to Adjust Basis .....	
8.	Aggregate write-in book value, December 31, Current Year .....	.....

**SCHEDULE DB - PART C - VERIFICATION BETWEEN YEARS**

**Verification Between Years of Aggregate Write-in Book Value on Swaps and Forwards**

1.	Aggregate write-in book value, December 31, prior year (Line 8, prior year) .....		
2.	Cost or (Consideration Received) (Section 2, Column 7) .....		
3.	Increase/(Decrease) by Adjustment (Section 1, Column 12) plus (Section 3, Column 13) .....		
4.	Gain/(Loss) on Termination:		
4.1	Recognized (Section 3, Column 14) .....		
4.2	Used to Adjust Basis of Hedged Item (Section 3, Column 15) .....		
5.	Consideration received (or paid) on terminations (Section 3, Column 16) .....		
6.	Used to Adjust Basis of Hedged Item on Open Contracts .....		
7.	Disposition of deferred amount on contracts terminated in prior year:		
7.1	Recognized .....		
7.2	Used to Adjust Basis of Hedged Item .....		
8.	Aggregate write-in book value, December 31, Current Year (Lines 1+2+3+4-5-6-7) .....		

**SCHEDULE DB - PART D - VERIFICATION BETWEEN YEARS**

**Verification Between Years of Aggregate Write-in Book Value on Futures Contracts and Insurance Futures Contracts**

1.	Aggregate write-in book value, December 31, prior year (Line 8, prior year) .....		
2.	Change in total Variation Margin on Open Contracts (Difference between years-Section 1, Column 6) .....		
3.1	Change in Variation Margin on Open Contracts Used to Adjust Basis of Hedged Item (Section 1, Column 11) .....		
3.2	Change in variation margin on open contracts recognized (Difference between years-Section 1, Column 10) .....		
4.1	Variation Margin on Contracts Terminated During the Year (Section 3, Column 6) .....		
4.2	Less		
4.21	Gain/(Loss) Recognized in Current Year (Section 3, Column 7) .....		
4.22	Gain/(Loss) Used to Adjust Basis of Hedge (Section 3, Column 8) .....		
4.3	Subtotal (Line 4.1 minus Line 4.2) .....		
5.1	Net Additions to Cash Deposits (Section 2, Column 7) .....		
5.2	Less: Net Reductions to Cash Deposits (Section 3, Column 9) .....		
6.	Subtotal (Lines 1 - 2 + 3.1 + 3.2 - 4.3 + 5.2) .....		
7.	Disposition of Gain/(Loss) on Contracts Terminated in Prior Year: .....		
7.1	Recognized .....		
7.2	Used to Adjust Basis of Hedged Item .....		
8.	Aggregate write-in book value, December 31, current year (Lines 6 + 7.1 + 7.2) .....		

**SCHEDULE DB - PART E - VERIFICATION BETWEEN YEARS**

**Verification Of Statement Value and Fair Value of Open Contracts**

		Statement Value	
1.	Part A, Section 1, Column 10 .....		
2.	Part B, Section 1, Column 10 .....		
3.	Part C, Section 1, Column 10 .....		
4.	Part D, Section 1, Column 9 - 12 .....		
5.	Lines (1) - (2) + (3) + (4) .....		
6.	Part E, Section 1, Column 4 .....		
7.	Part E, Section 1, Column 5 .....		
8.	Lines (5) - (6) - (7) .....		
		Fair Value	
9.	Part A, Section 1, Column 11 .....		
10.	Part B, Section 1, Column 11 .....		
11.	Part C, Section 1, Column 11 .....		
12.	Part D, Section 1, Column 9 .....		
13.	Lines (9) - (10) + (11) + (12) .....		
14.	Part E, Section 1, Column 7 .....		
15.	Part E, Section 1, Column 8 .....		
16.	Lines (13) - (14) - (15) .....		

**SCHEDULE DB - PART F - SECTION 1**  
**Summary of Replicated (Synthetic) Assets Open**

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset							
1 Replication RSAT Number	2  Description	3  NAIC Designation or Other Description	4  Statement Value	5  Fair Value	Derivative Instruments Open		Cash Instrument(s) Held					
					6  Description	7  Fair Value	8  CUSIP	9  Description	10  Statement Value	11  Fair Value	12  NAIC Designation or Other Description	
					NONE							
9999999 Totals .....			.....	.....	X X X .....		.....	X X X .....	X X X .....	.....		X X X .....

**SCHEDULE DB - PART F SECTION 2**  
**Reconciliation of Replicated (Synthetic) Assets Open**

		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
		1	2	3	4	5	6	7	8	9	10
		Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value
1.	Beginning Inventory .....										
2.	Add: Opened or Acquired Transactions .....										
3.	Add: Increases in Replicated Asset Statement Value .....	X X X				X X X		X X X		X X X	
4.	Less: Closed or Disposed of Transactions .....										
5.	Less: Positions Disposed of for Failing Effectiveness Criteria .....										
6.	Less: Decreases in Replicated (Synthetic) Asset Statement Value .....	X X X				X X X		X X X		X X X	
7.	Ending Inventory .....										

NONE

**SCHEDULE S - PART 1 - SECTION 2**

**Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year**

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Location	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
NONE											
0399999 Totals .....						.....	.....	.....	.....	.....	.....

**SCHEDULE S - PART 2**

**Reinsurance Recoverable on Paid and Unpaid Losses Listed by  
Reinsuring Company as of December 31, Current Year**

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4  Name of Company	5  Location	6  Paid Losses	7  Unpaid Losses
<div>NONE</div>						
0799999 Totals - Life, Annuity and Accident and Health .....					.....	.....

**SCHEDULE S - PART 3 - SECTION 2**

**Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year**

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
<div>NONE</div>												
0399999 Totals .....						.....	.....	.....	.....	.....	.....	.....

**SCHEDULE S - PART 4**  
**Reinsurance Ceded To Unauthorized Companies**

1	2	3	4	5	6	7	8	9	10	11	12	13	14
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Totals (Cols. 5 + 6 + 7)	Letters of Credit	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9+10+11+12+13 But Not in Excess of Col. 8
				NONE									
1199999 Totals (General Account and Separate Accounts combined)													

**SCHEDULE S - PART 5**  
**Five-Year Exhibit of Reinsurance Ceded Business**  
**(000 Omitted)**

	1 2003	2 2002	3 2001	4 2000	5 1999
<b>A. OPERATIONS ITEMS</b>					
1. Premiums .....					
2. Title XVIII-Medicare .....					
3. Title XIX - Medicaid .....					
4. Commissions and reinsurance expense allowance .....					
5. Total hospital and medical expenses .....					
<b>B. BALANCE SHEET ITEMS</b>					
6. Premiums receivable .....					
7. Claims payable .....					
8. Reinsurance recoverable on paid losses .....					
9. Experience rating refunds due or unpaid .....					
10. Commissions and reinsurance expense allowances unpaid .....					
11. Unauthorized reinsurance offset .....					
<b>C. UNAUTHORIZED REINSURANCE</b> <b>(DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
12. Funds deposited by and withheld from (F) .....					
13. Letters of credit (L) .....					
14. Trust agreements (T) .....					
15. Other (O) .....					

NONE

**SCHEDULE S - PART 6**  
**Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance**

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 10) .....	41,975,409		41,975,409
2. Accident and health premiums due and unpaid (Line 12) .....			
3. Amounts recoverable from reinsurers (Line 13.1) .....			
4. Net credit for ceded reinsurance .....	X X X		
5. All other admitted assets (Balance) .....	416,073		416,073
6. Total assets (Line 26) .....	42,391,482		42,391,482
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1) .....			
8. Accrued medical incentive pool and bonus payments (Line 2) .....			
9. Premiums received in advance (Line 8) .....			
10. Reinsurance in unauthorized companies (Line 18) .....			
11. All other liabilities (Balance) .....	9,628,677		9,628,677
12. Total liabilities (Line 22) .....	9,628,677		9,628,677
13. Total capital and surplus (Line 30) .....	32,762,805	X X X	32,762,805
14. Total liabilities, capital and surplus (Line 31) .....	42,391,482		42,391,482
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
15. Claims unpaid .....			
16. Accrued medical incentive pool .....			
17. Premiums received in advance .....			
18. Reinsurance recoverable on paid losses .....			
19. Other ceded reinsurance recoverables .....			
20. Total ceded reinsurance recoverables .....			
21. Premiums receivable .....			
22. Unauthorized reinsurance .....			
23. Other ceded reinsurance payables/offsets .....			
24. Total ceded reinsurance payables/offsets .....			
25. Total net credit for ceded reinsurance .....			

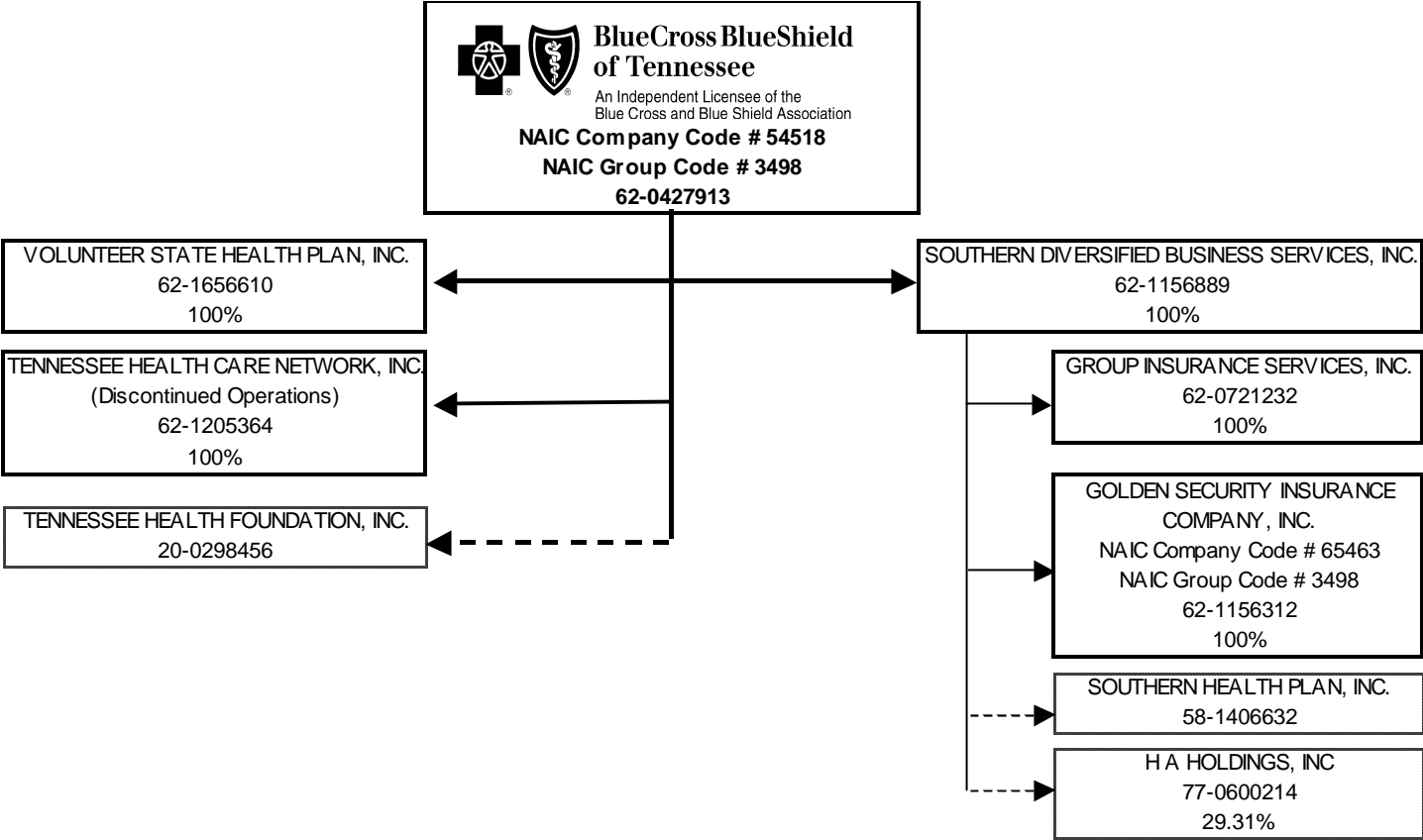
**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

**Allocated by States and Territories**

		1	2	Direct Business Only					
				3	4	5	6	7	8
State, Etc.		Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Deposit-Type Contract Funds	Property/ Casualty Premiums
1.	Alabama (AL) .....	No .....	No .....						
2.	Alaska (AK) .....	No .....	No .....						
3.	Arizona (AZ) .....	No .....	No .....						
4.	Arkansas (AR) .....	No .....	No .....						
5.	California (CA) .....	No .....	No .....						
6.	Colorado (CO) .....	No .....	No .....						
7.	Connecticut (CT) .....	No .....	No .....						
8.	Delaware (DE) .....	No .....	No .....						
9.	District of Columbia (DC) .....	No .....	No .....						
10.	Florida (FL) .....	No .....	No .....						
11.	Georgia (GA) .....	No .....	No .....						
12.	Hawaii (HI) .....	No .....	No .....						
13.	Idaho (ID) .....	No .....	No .....						
14.	Illinois (IL) .....	No .....	No .....						
15.	Indiana (IN) .....	No .....	No .....						
16.	Iowa (IA) .....	No .....	No .....						
17.	Kansas (KS) .....	No .....	No .....						
18.	Kentucky (KY) .....	No .....	No .....						
19.	Louisiana (LA) .....	No .....	No .....						
20.	Maine (ME) .....	No .....	No .....						
21.	Maryland (MD) .....	No .....	No .....						
22.	Massachusetts (MA) .....	No .....	No .....						
23.	Michigan (MI) .....	No .....	No .....						
24.	Minnesota (MN) .....	No .....	No .....						
25.	Mississippi (MS) .....	No .....	No .....						
26.	Missouri (MO) .....	No .....	No .....						
27.	Montana (MT) .....	No .....	No .....						
28.	Nebraska (NE) .....	No .....	No .....						
29.	Nevada (NV) .....	No .....	No .....						
30.	New Hampshire (NH) .....	No .....	No .....						
31.	New Jersey (NJ) .....	No .....	No .....						
32.	New Mexico (NM) .....	No .....	No .....						
33.	New York (NY) .....	No .....	No .....						
34.	North Carolina (NC) .....	No .....	No .....						
35.	North Dakota (ND) .....	No .....	No .....						
36.	Ohio (OH) .....	No .....	No .....						
37.	Oklahoma (OK) .....	No .....	No .....						
38.	Oregon (OR) .....	No .....	No .....						
39.	Pennsylvania (PA) .....	No .....	No .....						
40.	Rhode Island (RI) .....	No .....	No .....						
41.	South Carolina (SC) .....	No .....	No .....						
42.	South Dakota (SD) .....	No .....	No .....						
43.	Tennessee (TN) .....	No .....	Yes .....			(3,418,182)			
44.	Texas (TX) .....	No .....	No .....						
45.	Utah (UT) .....	No .....	No .....						
46.	Vermont (VT) .....	No .....	No .....						
47.	Virginia (VA) .....	No .....	No .....						
48.	Washington (WA) .....	No .....	No .....						
49.	West Virginia (WV) .....	No .....	No .....						
50.	Wisconsin (WI) .....	No .....	No .....						
51.	Wyoming (WY) .....	No .....	No .....						
52.	American Samoa (AS) .....	No .....	No .....						
53.	Guam (GU) .....	No .....	No .....						
54.	Puerto Rico (PR) .....	No .....	No .....						
55.	U.S. Virgin Islands (VI) .....	No .....	No .....						
56.	Canada (CN) .....	No .....	No .....						
57.	Aggregate other alien (OT) .....	X X X .....	X X X .....						
58.	TOTAL (Direct Business) .....	X X X .....	(a). 1 .....			(3,418,182)			
DETAILS OF WRITE-INS									
5701	.....								
5702	.....								
5703	.....								
5798.	Summary of remaining write-ins for Line 57 from overflow page .....								
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above) ..								

(a) Insert the number of yes responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.:

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**



**SCHEDULE Y (continued)**  
**PART 2 - SUMMARY OF INSURER’S TRANSACTIONS WITH ANY AFFILIATES**

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
.. 54518 ..	.. 62-0427913 ..	BCBS of TN Inc .....	.....	.....	.....	.....	.... 91,727,964	.....	.....	.....	.... 91,727,964	.....
.. 00000 ..	.. 62-1656610 ..	Volunteer State Health Plan, Inc. ....	.....	.....	.....	.....	.. (91,727,964)	.....	.....	.....	.. (91,727,964)	.....
9999999 Totals .....			.....	.....	.....	.....	.....	.....	X X X	.....	.....	.....

Schedule Y Part 2 Explanation:

# SUPPLEMENTAL EXHIBITS AND SCHEDULES

## INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
MARCH FILING	
1. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	No
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	Yes
3. Will an actuarial certification be filed by March 1?	Yes
4. Will the Risk-based Capital Report be filed with the NAIC by March 1?	No
5. Will the Risk-based Capital Report be filed with the state of domicile, if required by March 1?	Yes
6. Will the SVO Compliance Certification be filed by March 1?	Yes
7. Will the Life Supplement be filed with the state of domicile and the NAIC by March 1?	No
8. Will the Property/Casualty Supplement be filed with the state of domicile and the NAIC by March 1?	No
APRIL FILING	
9. Will Management's Discussion and Analysis be filed by April 1?	Yes
10. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile by April 1?	No
11. Will the Investment Risks Interrogatories be filed by April 1?	Yes
JUNE FILING	
12. Will an audited financial report be filed by June 1 with the state of domicile?	Yes
Explanations:	

Bar Codes:

Medicare Supplement Insurance Experience Exhibit



Risk-Based Capital Filing



Health Life Supplement



Health Property / Casualty Supplement



LTC Experience Reporting Form C



OVERFLOW PAGE FOR WRITE-INS

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
2104.	Exigency Post-Settlement Activity .....	..... 93,741	.....	..... 93,741	..... 914,418
2105.	Payable to THP .....	..... 81,410	.....	..... 81,410	.....
2197.	Summary of remaining write-ins for Line 21 (Lines 2104 through 2196) .....	..... 175,151	.....	..... 175,151	..... 914,418

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
0604.	Meharry Payments .....	..... X X X .....	..... (7,403,256)	.....
0605.	GME Payments .....	..... X X X .....	..... (33,349,225)	..... (58,000,000)
0606.	Essential Provider Payments (EPP) .....	..... X X X .....	..... (75,000,000)	..... (45,000,001)
0697.	Summary of remaining write-ins for Line 6 (Line 0604 through 0696) .....	..... X X X .....	..... (115,752,481)	..... (103,000,001)

OVERFLOW PAGE FOR WRITE-INS

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS  
(Gain and Loss Exhibit)

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other Health	Other Non-Health
0504.	Meharry Payments .....	..... (7,403,256)	.....	.....	.....	.....	.....	.....	..... (7,403,256)	.....	.....	.....	.....	..... X X X .....
0505.	GME Payments .....	..... (33,349,225)	.....	.....	.....	.....	.....	.....	..... (33,349,225)	.....	.....	.....	.....	..... X X X .....
0506.	Essential Provider Payments (EPP) .....	..... (75,000,000)	.....	.....	.....	.....	.....	.....	..... (75,000,000)	.....	.....	.....	.....	..... X X X .....
0597.	Summary of remaining write-ins for Line 5 (Lines 0504 through 0596) .....	.. (115,752,481)	.....	.....	.....	.....	.....	.....	.. (115,752,481)	.....	.....	.....	.....	..... X X X .....

**SCHEDULE A - PART 1**  
**Showing all Real Estate OWNED December 31 of Current Year**

1	Location		4	5	6	7	8	9	10	11	12	13	14	15
	2	3												
Description of Property	City	State	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amounts Received During Year	Expended for Additions, Permanent Improvements and Changes in Encumbrances During Year	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
					NONE									
9999999 Totals .....					.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

**SCHEDULE A - PART 2**  
**Showing all Real Estate ACQUIRED During the Year**

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Expended for Additions and Permanent Improvements
<div>NONE</div>								
9999999 Totals .....					.....	.....	.....	.....

**SCHEDULE A - PART 3**

**Showing all Real Estate SOLD during the Year, including Payments during the Final Year on "Sales under Contract"**

1	Location		4	5	6	7	8	9	10	11	12	13	14	15	16
	2	3				Increase (Decrease) by Foreign Exchange Adjustment	Increase (Decrease) by Foreign Exchange Adjustment								
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost			Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Amounts Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
						N O N E									
9999999 Totals .....															

**SCHEDULE B - PART 1**

**Showing all Mortgage Loans OWNED December 31 of Current Year**

1	Location		4	5	6	7	8	9	10	11
	2	3								
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Value of Land and Buildings	Date of Last Appraisal or Valuation
						N O N E				
9999999 GRAND TOTAL .....										..... X X X .....

General Interrogatory:  
1. Mortgages in good standing \$..... unpaid taxes \$..... interest due and unpaid.  
2. Restructured mortgages \$..... unpaid taxes \$..... interest due and unpaid.  
3. Mortgages with overdue interest over 90 days not in process of foreclosure \$..... unpaid taxes \$..... interest due and unpaid.  
4. Mortgages in process of foreclosure \$..... unpaid taxes \$..... interest due and unpaid.

**SCHEDULE B - PART 2**

**Showing all Mortgage Loans SOLD, transferred or paid in full during the Year**

1	Location		4	5	6	7	8	9	10	11	12	13
	2	3			Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book Value/ Recorded Investment Excluding Accrued Interest at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale
Loan Number	City	State	Loan Type	Date Acquired	N O N E							
9999999 Totals .....					.....	.....	.....	.....	.....	.....	.....	.....

**SCHEDULE BA - PART 1**

**Showing Other Long-Term Invested Assets OWNED December 31, Current Year**

1  Number of Units and Description	Location		4  Name of Vendor	5  Date Acquired	6  Actual Cost	7  Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9  Increase (Decrease) by Adjustment	10  Increase (Decrease) by Foreign Exchange Adjustment
	2  City	3  State							
<div>NONE</div>									
9999999 Totals .....					.....	.....	.....	.....	.....

**SCHEDULE BA - PART 2**

**Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Year**

1  Number of Units and Description	Location		4  Name of Purchaser or Nature of Disposition	5  Date Acquired	6  Book/Adjusted Carrying Value Less Encumbrances, Prior Year	7  Increase (Decrease) by Adjustment	8  Increase (Decrease) by Foreign Exchange Adjustment	9  Book/Adjusted Carrying Value Less Encumbrances at Disposition	10  Consideration Received	11  Foreign Exchange Profit (Loss) on Sale	12  Realized Profit (Loss) on Sale	13  Total Profit (Loss) on Sale
	2	3										
	City	State										
NONE												
9999999 Totals .....												

**SCHEDULE D - PART 1**

**Showing all Long-Term BONDS Owned December 31, of Current Year**

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
			Rate of	How Paid									Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year						
CUSIP Identification	Description	*			Maturity Date	Option Date	Option Call Price	Book/ Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost			Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
U.S. Governments - Issuer Obligations																				
3133MMR88	FEDERAL HOME LOAN BANK		3.750	FA	02/13/2004			1,854,950	1,850,000	100.2810	1,855,198	1,898,544	26,594	69,375	(41,971)			1	12/17/2002	1.458
3133MCRV9	FEDERAL HOME LOAN BANK		5.375	JJ	01/05/2004			2,000,894	2,000,000	100.0000	2,000,000	2,083,620	52,556	107,500	(79,641)			1	12/17/2002	1.356
3134A2T99	FEDERAL HOME LOAN MTG																			
	CORP		5.000	JJ	01/15/2004			2,002,719	2,000,000	100.1250	2,002,500	2,074,520	46,111	100,000	(69,126)			1	12/17/2002	1.508
3134A4JN5	FEDERAL HOME LOAN MTG																			
	CORP		3.250	JJ	01/15/2004			2,001,492	2,000,000	100.0630	2,001,260	2,040,940	29,972	65,000	(37,978)			1	12/17/2002	1.336
31359MEM1	FEDERAL NATIONAL																			
	MORTGAGE ASSN		5.125	FA	02/13/2004			2,008,553	2,000,000	100.4690	2,009,380	2,083,880	39,292	102,500	(72,523)			1	12/17/2002	1.458
31359MJX2	FEDERAL NATL MTG ASSOC		5.250	JD	06/15/2006			1,297,102	1,200,000	106.9690	1,283,628	1,319,844	2,800	63,000	(22,742)			1	05/28/2003	1.872
912827N81	U S TREASURY NOTE		5.875	FA	02/15/2004			5,569,821	5,550,000	100.5940	5,582,967	5,862,016	123,159	326,062	(158,582)			1	03/01/2002	2.966
0199999 Subtotal - U.S. Governments - Issuer Obligations								16,735,531	16,600,000	X X X	16,734,933	17,363,364	320,484	833,437	(482,563)			X X X	X X X	X X X
0399999 Subtotal - U.S. Governments								16,735,531	16,600,000	X X X	16,734,933	17,363,364	320,484	833,437	(482,563)			X X X	X X X	X X X
5499999 Subtotals - Issuer Obligations								16,735,531	16,600,000	X X X	16,734,933	17,363,364	320,484	833,437	(482,563)			X X X	X X X	X X X
6099999 Grand Total - Bonds								16,735,531	16,600,000	X X X	16,734,933	17,363,364	320,484	833,437	(482,563)			X X X	X X X	X X X

**SCHEDULE D - PART 2 - SECTION 1**  
**Showing all PREFERRED STOCKS Owned December 31, Current Year**

1  Cusip Identification	2  Description	3  Number of Shares	4  Par Value Per Share	5  Rate Per Share	6  Book/Adjusted Carrying Value	7  Rate Per Share Used to Obtain Fair Value	8  Fair Value	9  Actual Cost	Dividends		12  Increase (Decrease) by Adjustment	13  Increase (Decrease) by Foreign Exchange Adjustment	14  NAIC Designation	15  Date Acquired
									10  Declared but Unpaid	11  Amount Received During Year				
					N O N E									
6599999 Total Preferred Stocks .....					.....	X X X .....	.....	.....	.....	.....	.....	.....	X X X ..	X X X ..

**SCHEDULE D - PART 2 - SECTION 2**  
**Showing All COMMON STOCKS Owned December 31 of Current Year**

1	2	3	4	5	6	7	Dividends		10	11	12	13
CUSIP Identification	Description	Number of Shares	Book/Adjusted Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	8	9	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	NAIC Designation (a)	Date Acquired
							Declared But Unpaid	Amount Received During Year				
			N O N E									
7199999 Total Preferred and Common Stocks .....				X X X .....							X X X .....	X X X .....

(a) For all common stocks bearing the NAIC designation "U" provide: the number of such issues ....., the total \$ value (included in Column 6) of all such issues \$.....

**SCHEDULE D - PART 3**  
**Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year**

1	2	3	4	5	6	7	8
CUSIP Identification	Description	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
<b>Bonds - U.S. Governments</b>							
31359MJX2 .....	FEDERAL NATL MTG ASSOC .....	... 05/28/2003 ..	Spear Leeds & Kellogg .....	..... X X X .....	..... 1,319,844	..... 1,200,000.00	..... 28,700
0399999 Subtotal - Bonds - U.S. Governments .....					..... 1,319,844	..... 1,200,000.00	..... 28,700
6099997 Subtotal - Bonds - Part 3 .....					..... 1,319,844	..... 1,200,000.00	..... 28,700
6099998 Summary item from Part 5 for Bonds .....					.....	.....	.....
6099999 Subtotal - Bonds .....					..... 1,319,844	..... 1,200,000.00	..... 28,700
6599998 Summary Item from Part 5 for Preferred Stocks .....					.....	..... X X X	.....
7099998 Summary Item from Part 5 for Common Stocks .....					.....	..... X X X	.....
7199999 Subtotal - Preferred and Common Stocks .....					.....	..... X X X	.....
7299999 Totals .....					..... 1,319,844	..... X X X	..... 28,700

**SCHEDULE D - PART 4**

**Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
<b>Bonds - U.S. Governments</b>															
31359MEG4	FEDERAL HOME LOAN MTG CORP .....	11/14/2003	MATURITY .....	.... X X X ...	..... 2,000,000	2,000,000.00	..... 2,061,780	..... 2,000,000	..... (59,156)	.....	.....	.....	.....	..... 94,736	.... X X X ....
3134A4JH8	FEDERAL HOME LOAN MTG CORP .....	12/15/2003	MATURITY .....	.... X X X ...	..... 2,000,000	2,000,000.00	..... 2,038,120	..... 2,000,000	..... (36,643)	.....	.....	.....	.....	..... 65,000	.... X X X ....
0399999	Subtotal - Bonds - U.S. Governments .....				..... 4,000,000	4,000,000.00	..... 4,099,900	..... 4,000,000	..... (95,799)	.....	.....	.....	.....	..... 159,736	.... X X X ....
6099997	Subtotal - Bonds - Part 4 .....				..... 4,000,000	4,000,000.00	..... 4,099,900	..... 4,000,000	..... (95,799)	.....	.....	.....	.....	..... 159,736	.... X X X ....
6099998	Summary Item from Part 5 for Bonds .....									.....	.....	.....	.....		.... X X X ....
6099999	Subtotal - Bonds .....				..... 4,000,000	4,000,000.00	..... 4,099,900	..... 4,000,000	..... (95,799)	.....	.....	.....	.....	..... 159,736	.... X X X ....
6599998	Summary Item from Part 5 for Preferred Stocks .....					.... X X X ...	.....			.....	.....	.....	.....	.... X X X ....	.....
7099998	Summary Item from Part 5 for Common Stocks .....					.... X X X ...	.....			.....	.....	.....	.....	.... X X X ....	.....
7199999	Subtotal - Preferred and Common Stocks .....					.... X X X ...	.....			.....	.....	.....	.....	.... X X X ....	.....
7299999	Totals .....				..... 4,000,000	.... X X X ...	..... 4,099,900	..... 4,000,000	..... (95,799)	.....	.....	.....	.....	..... 159,736	.....

**SCHEDULE D - PART 5**

**Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identifi- cation	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consider- ation	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid For Accrued Interest and Dividends
NONE																
7299999 Totals .....							.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

**SCHEDULE D - PART 6 - SECTION 1**  
**Valuation of Shares of Subsidiary, Controlled or Affiliated Companies**

1	2	3	4	5	6	7	Stock of Such Company Owned by Insurer on Statement Date	
							8	9
CUSIP Identification	Description Name of Subsidiary, Controlled or Affiliated Company	NAIC Company Code or Alien Insurer Identification Number	NAIC Valuation Method (See SVO Purposes and Procedures manual)	Do Insurer's Admitted Assets Include Intangible Assets connected with Holding of Such Company's Stock?	Total Amount of Such Intangible Assets	Book/Adjusted Carrying Value	Number of Shares	% of Outstanding
<div>NONE</div>								
1999999 Total - Preferred and Common Stocks .....					.....	.....	.... X X X .....	.... X X X .....

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....
2. Total amount of intangible assets nonadmitted \$.....

**SCHEDULE D - PART 6 - SECTION 2**

1	2	3	4	Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date	
CUSIP Identification	Name of Lower-tier Company	Name of Company Listed in Section 1 Which Controls Lower-tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	5 Number of Shares	6 % of Outstanding
<div>NONE</div>					
0399999 Total - Preferred and Common Stocks .....			.....	.... X X X .....	.... X X X .....

**SCHEDULE DA - PART 1**

**Showing all SHORT-TERM INVESTMENT Owned December 31, of Current Year**

1  CUSIP Identification	2  Description	3  Date Acquired	4  Name of Vendor	Interest		7  Maturity Date	8  Book/Adjusted Carrying Value	9  Increase (Decrease) by Adjustment	10  Increase (Decrease) by Foreign Exchange Adjustment	11  Par Value	12  Actual Cost	Interest		15  Paid for Accrued Interest	16  NAIC Designation	17  Effective Rate of Interest
				5	6							13	14			
				Rate Of	How Paid							Amount Due and Accrued Dec. 31, of Current Year on Bond Not in Default	Gross Amount Received			
6099999 Subtotal - Bonds .....															X X X	X X X
Exempt Money Market Mutual Funds																
60934N203 ..	FEDERATED PRIME OBLIG MONEY MKT	12/01/2003	Union Planters .....			01/01/2004	36,500,803				36,500,803	34,355	519,475		1	0.720
7799999 Subtotal - Exempt Money Market Mutual Funds .....							36,500,803			X X X	36,500,803	34,355	519,475		X X X	X X X
8099999 Total Short-term Investments .....							36,500,803			X X X	36,500,803	34,355	519,475		X X X	X X X

(a) Includes \$...... other than accrual of discount and amortization of premium.

**SCHEDULE DB - PART A - SECTION 1**

**Showing all Options, Caps, Floors and Insurance Futures Options Owned December 31 of Current Year**

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/ Option Premium	Book Value	*	Statement Value	Fair Value	Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income
NONE													
9999999 Total .....						.....	.....	X X X	.....	.....	.....	.....	.....

**SCHEDULE DB - PART A - SECTION 2**

**Showing all Options, Caps, Floors and Insurance Futures Options Acquired During Current Year**

1	2	3	4	5	6	7
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/Option Premium
NONE						
9999999 Total .....						.....

**SCHEDULE DB - PART A - SECTION 3**

**Showing all Options, Caps, Floors and Insurance Futures Options Terminated During Current Year**

1  Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5  Date of Acquisition	6  Exchange or Counterparty	7  Cost/ Option Premium	8  Indicate Exercise, Expiration, Maturity or Sale	9  Termination Date	10  Book Value	11  *	12  Consideration Received on Terminations	13  Increase/ (Decrease) by Adjustment	Gain/Loss on Termination			17  Other Investment/ Miscellaneous Income
													14  Recognized	15  Used to Adjust Basis of Hedged Item	16  Deferred	
						N O N E										
9999999 Total .....							X X X .....	X X X .....		X X X						

**SCHEDULE DB - PART B - SECTION 1**

**Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force December 31 of Current Year**

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price Rate or Index	Date of Issuance/ Purchase	Exchange or Counterparty	Cost/ Option Premium	Book Value	*	Statement Value	Fair Value	Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income
						N O N E							
9999999 Total .....								X X X					

**SCHEDULE DB - PART B - SECTION 2**

**Showing all Options, Caps, Floors and Insurance Futures Options Written During Current Year**

1	2	3	4	5	6	7
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Issuance/ Purchase	Exchange or Counterparty	Consideration Received
N O N E						
9999999 Grand Total .....						

**SCHEDULE DB - PART B - SECTION 3**

**Showing all Written Options, Caps, Floors and Insurance Futures Options Terminated During Current Year**

1	2	3	4	5	6	7	8	9	10	11	12	13	Gain/Loss on Termination			17
													14	15	16	
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Issuance/ Purchase	Exchange or Counterparty	Consideration Received	Indicate Exercise, Expiration, Maturity or Closing Purchase Transaction	Termination Date	Book Value	*	Consideration Received on Terminations	Increase/ (Decrease) by Adjustment	Recognized	Used to Adjust Basis	Deferred	Other Investment/ Miscellaneous Income
						N O N E										
9999999 Grand Total .....						.....	..... X X X .....	... X X X ...	.....	X X X	.....	.....	.....	.....	.....	.....

**SCHEDULE DB - PART C - SECTION 1**

**Showing all Collar, Swap and Forwards Open December 31 of Current Year**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)	Book Value	*	Statement Value	Fair Value	Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income	Potential Exposure
NONE														
9999999 Grand Total .....								X X X						

**SCHEDULE DB - PART C - SECTION 2**

**Showing all Collar, Swap and Forwards Opened During Current Year**

1	2	3	4	5	6	7
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)
NONE						
9999999 Grand Total .....						

**SCHEDULE DB - PART C - SECTION 3**  
**Showing all Collar, Swap and Forwards Terminated During Current Year**

1  Description	2  Notional Amount	3  Date of Maturity, Expiry, or Settlement	4  Strike Price, Rate or Index Rec (Pay)	5  Date of Opening Position or Agreement	6  Exchange or Counterparty	7  Cost or (Consideration Received)	8  Indicate Exercise, Expiration, Maturity or Sale	9  Termination Date	10  Book Value	11  *	12  Consideration Received or (Paid) on Terminations	13  Increase/ (Decrease) by Adjustment	Gain/Loss on Termination			17  Other Investment/ Miscellaneous Income
													14  Recognized	15  Used to Adjust Basis of Hedged Item	16  Deferred	
NONE																
9999999 Grand Total .....								... X X X ...	... X X X ...		X X X					

**SCHEDULE DB - PART D - SECTION 1**  
**Showing all Futures Contracts and Insurance Futures Contracts Open December 31 of Current Year**

1	2	3	4	5	6	7	8	9	Variation Margin Information			13
									10	11	12	
Description	Number of Contracts	Maturity Date	Original Value	Current Value	Variation Margin	Date of Opening Position	Exchange of Counterparty	Cash Deposit	Recognize	Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure
					NONE							
9999999 Grand Total .....			.....	.....	.....	X X X .....	X X X .....	.....	.....	.....	.....	.....

**SCHEDULE DB - PART D - SECTION 2**

**Showing all Futures Contracts and Insurance Futures Contracts Opened During Current Year**

1	2	3	4	5	6	7
Description	Number of Contracts	Maturity Date	Original Value	Date of Opening Position	Exchange or Counterparty	Net Additions to Cash Deposits
			N O N E			
9999999 Grand Total .....				X X X .....	X X X .....	

**SCHEDULE DB - PART D - SECTION 3**

**Showing all Futures Contracts and Insurance Futures Contracts Terminated During Current Year**

1	2	3	4	5	6	7	8	9	10	Variation Margin Information		
										11	12	13
Description	Number of Contracts	Maturity Date	Original Value	Termination Value	Variation Value	Date of Opening Position	Exchange of Counterparty	Net Reduction to cash Deposits	Termination Date	Gain/(Loss) Recognized	Gain/(Loss) Used to Adjust Basis of Hedged Item	Gain/(Loss) Deferred
					N O N E							
9999999 Grand Total .....						X X X ...	X X X .....		X X X ...			

**SCHEDULE DB - PART E - SECTION 1**  
**Showing Counterparty Exposure for Derivative Instruments Open December 31 of Current Year**

1  Description Counterparty or Exchange Traded	2  Master Agreement (Y or N)	3  Fair Value of Acceptable Collateral	Statement Value			Fair Value			10  Potential Exposure	11  Off-Balance Sheet Exposure
			4  Contracts Statement Value > 0	5  Contracts Statement Value < 0	6  Exposure Net of Collateral	7  Contracts Fair Value > 0	8  Contracts Fair Value < 0	9  Exposure Net of Collateral		
			N O N E							
9999999 Totals .....		.....	.....	.....	.....	.....	.....	.....	.....	.....

**SCHEDULE DM**

**For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair value, and the aggregate difference, if any, between them.**

		1	2	3
		Statement (Admitted) Value	Fair Value (a)	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
1.	Bonds .....	53,236,334	53,235,736	(598)
2.	Preferred Stocks .....			
3.	TOTALS .....	53,236,334	53,235,736	(598)

(a) Amortized or book values shall not be substituted for fair values. Describe the sources or methods utilized in determining the fair values.: Union Planters Bank in Memphis, TN which was actual trade data from December 31, 2003 where available. If actual trade data is not available, matrix pricing is used. Prices of securities of similar quality, maturity, coupon, and call structure that did trade on December 31, 2003 are averaged to calculate a reasonable market price.

SCHEDULE E - PART 1 - CASH

1			2	3	4	5	6
Depository			Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
open depositories							
Union Planters Bank, NA .....	835 Georgia Ave., Chattanooga, TN 37402 .....					165,111	X X X
Union Planters Bank, NA .....	7130 Goodlett Farms Pkwy, Cordova, TN 38018 .....					(3,929,158)	X X X
Union Planters Bank, NA .....	7130 Goodlett Farms Pkwy, Cordova, TN 38018 .....					(7,476,177)	X X X
0199998 Deposits in .....3 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....			X X X ..			(20,701)	X X X
0199999 Totals - Open Depositories .....			X X X ..			(11,260,925)	X X X
0299998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....			X X X ..				X X X
0299999 Totals - Suspended Depositories .....			X X X ..				X X X
0399999 Total Cash On Deposit .....			X X X ..			(11,260,925)	X X X
0499999 Cash in Company's Office .....			X X X ..	X X X .....	X X X .....		X X X
0599999 Total Cash .....			X X X ..			(11,260,925)	X X X

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January .....	(15,750,723)	4. April .....	(6,696,818)	7. July .....	(3,667,681)	10. October .....	(24,736,651)
2. February .....	(25,946,513)	5. May .....	(21,858,127)	8. August .....	(17,601,109)	11. November .....	(34,586,974)
3. March .....	(16,763,971)	6. June .....	(18,577,434)	9. September .....	(19,761,877)	12. December .....	(11,260,925)

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments owned December 31 of current year

1	2	3	4	5	6	7	8
CUSIP Identification	Description	Date Acquired	Rate of Interest	Maturity	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Gross Investment Income
<div>NONE</div>							
0199999 Total Cash Equivalents .....					.....	.....	.....

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

1 Line Number	2  Type	3  Description of Deposit	4  Where Deposited and Purpose of Deposit	5  Par or Book Value	6  Statement Value (a)	7  Fair Value
<b>Tennessee</b>						
TN00001	B .....	Federal Natl Mtg Assn CUSIP 31359MJXZ .....	Union Planter Trust-Memphis, TN-TNRSD by Ins Code, Section 56-32-212b .....	1,200,000	1,297,102	1,283,628
TN00002	B .....	US Treasury Note CUSIP 912827-N8-1 .....	Union Planter Trust-Memphis, TN-TNRSD by Ins Code, Section 56-32-212b .....	5,550,000	5,569,821	5,582,967
TN99999	Subtotals - Tennessee .....			6,750,000	6,866,923	6,866,595
XX99999	Subtotals - Special Deposits Not Held for the Benefit Of All Policyholders, Claimants and Creditors of the Company .....			6,750,000	6,866,923	6,866,595
9999999	Totals .....			6,750,000	6,866,923	6,866,595

(a) Including \$...... cash and short-term investments as defined in SSAP No.2 of the NAIC Accounting Practices and Procedures Manual.



Statement of Actuarial Opinion

I, Betty Anne Neal, Vice President of Actuarial Services, am an employee of BlueCross BlueShield of Tennessee, Inc. ("BCBST") and a member of the American Academy of Actuaries. I meet the American Academy of Actuaries qualification standards for issuing an opinion on the unpaid claims liability of health insurers. I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities, and related items as shown in the annual statement of Volunteer State Health Plan, Inc. ("VHSP" or "the Company") as prepared for filing with the Tennessee Department of Insurance for the year ending December 31, 2003.

Item	Statement Reference	
	Page-Line	Amount
Claims Unpaid	3-1	\$ 0
Accrued medical incentive & bonus payments	3-2	\$ 0
Unpaid claims adjustment expenses	3-3	\$ 0
Aggregate health policy reserves	3-4	\$ 0
Aggregate life policy reserves	3-5	\$ 0
Property/casualty unearned premium reserves	3-6	\$ 0
Aggregate health claim reserves	3-7	\$ 0
Experience rated refunds		\$ 0
Any actuarial liabilities in Page 3, Line 21		\$ 0

My examination included such review of the assumptions and methods used and of the underlying basic records and/or summaries and such tests and calculations, as I considered necessary. In making my examination, I have relied on listings and summaries of claims and other relevant data, and upon representations regarding the consistency of paid claims data and un-paid claims reported in the Underwriting and Investment Exhibit – Part 2B of the Annual Statement as prepared by Linda Snell, Manager of HMO Accounting. I have also relied on the accuracy and consistency of the electronic systems and databases used as the basis of my analysis as provided by John T. Morgan, Manager IM Finance.

My review did not include asset adequacy analysis, as such analysis is not in the scope of my assignment. I have not reviewed any of the Company’s assets and I have not formed an opinion as to the validity or value. The following opinion rests on the assumption that the Company’s December 31, 2003 statutory-basis unpaid claims liability is funded by valid assets that have suitably scheduled maturities and/or adequate liquidity to meet cash flow requirements.

In my opinion, the amounts carried on the balance sheet on account of the items identified above for December 31, 2003:

- (a) Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial standards,
- (b) Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- (c) Meet the requirements of the insurance laws and regulations of the state of Tennessee,
- (d) Make a good and sufficient provision for all unpaid claims liabilities and other actuarial liabilities of the corporation under the terms of its contracts and agreements,
- (e) Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end,
- (f) Include appropriate provision for all actuarial reserves and related actuarial items that ought to be established.

The Underwriting and Investment Exhibit – Part 2B was prepared consistent with "Standard of Practice No. 3.6, "Follow-Up Studies", contained in the Actuarial standards of Practice No. 5, "Incurred Health and Disability Claims" as adopted by the Actuarial Standards Board of the American Academy of Actuaries in December 2000.

## Statement of Actuarial Opinion

Actuarial methods, considerations, and analyses used in forming this opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

Considerable uncertainty and variability are inherent in estimating the unpaid claim liability. Accordingly, the subsequent development of the liability may not conform to the assumptions inherent in its determination and therefore may cause fluctuations in the ultimate amount of claims that are paid.

My review related only to the statutory-basis items identified herein, and I do not express an opinion on the Company’s financial statements taken as a whole. This opinion has been prepared solely for the Board and the management of the Company, for filing with insurance regulatory agencies of states in which the Company is licensed, and for the Blue Cross and Blue Shield Association and is not intended for any other purpose.

---

Betty Anne Neal, VP., F.S.A., M.A.A.A.  
BlueCross BlueShield of Tennessee, Inc.



**SUPPLEMENTAL COMPENSATION EXHIBIT**  
(To be filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system:  
If yes, do the below amounts represent 1) total gross compensation paid to each individual by or on behalf of all companies which are part of the group:  
or 2) allocation to each insurer:

Yes[X] No[ ]  
  
Yes[ ] No[X]  
Yes[X] No[ ]
2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity?

Yes[ ] No[X]
3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement?

Yes[X] No[ ]

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1  Name and Principal Position		2  Year	Annual Compensation			
			3  Salary	4  Bonus	5  All Other Compensation	6  Totals
1. Ron Harr Sr VP Government Programs President and CEO of VSHP	.....	2003	..... 44,200	.....	..... 24,747	..... 68,947
	.....	2002	..... 159,116	.....	..... 71,819	..... 230,935
	.....	2001	..... 36,406	.....	..... 16,918	..... 53,324
2. David Moroney Medical Director MGD Govt Programs	.....	2003	..... 213,719	.....	..... 58,581	..... 272,300
	.....	2002	..... 201,198	.....	..... 49,465	..... 250,663
	.....	2001	..... 83,130	.....	..... 17,576	..... 100,706
3. Vicky Gregg President & CEO	.....	2003	..... 126,923	.....	..... 104,773	..... 231,696
	.....	2002	..... 89,803	.....	..... 71,023	..... 160,826
	.....	2001	..... 237,900	.....	..... 184,935	..... 422,835
4. Nancy Reykdal VP Bluecare Administration	.....	2003	..... 168,731	.....	..... 49,352	..... 218,083
	.....	2002	..... 99,965	.....	..... 35,303	..... 135,268
	.....	2001	..... 97,053	.....	..... 30,983	..... 128,036
5. Kenneth Patric Corporate Medical Director	.....	2003	..... 112,413	.....	..... 41,989	..... 154,402
	.....	2002	..... 103,102	.....	..... 27,742	..... 130,844
	.....	2001	..... 58,148	.....	..... 3,053	..... 61,201
6. Steve Coulter Sr VP & Chief Medical Officer	.....	2003	..... 79,594	.....	..... 69,866	..... 149,460
	.....	2002	..... 86,588	.....	..... 78,767	..... 165,355
	.....	2001	..... 81,832	.....	..... 62,293	..... 144,125
7. Bruce Taffel Regional Medical Director	.....	2003	..... 97,666	.....	..... 27,254	..... 124,920
	.....	2002	..... 90,242	.....	..... 25,092	..... 115,334
	.....	2001	..... 84,898	.....	..... 18,811	..... 103,709
8. Daniel Barnett Sr Medical Director	.....	2003	..... 95,592	.....	..... 25,735	..... 121,327
	.....	2002	..... 88,576	.....	..... 23,219	..... 111,795
	.....	2001	..... 84,544	.....	..... 19,096	..... 103,640
9. Michael Lundy Regional Medical Director	.....	2003	..... 93,677	.....	..... 23,316	..... 116,993
	.....	2002	..... 83,201	.....	..... 23,262	..... 106,463
	.....	2001	..... 73,907	.....	..... 17,702	..... 91,609
10. Robert Worthington Sr VP Business Operations	.....	2003	..... 62,188	.....	..... 52,367	..... 114,555
	.....	2002	..... 56,135	.....	..... 44,761	..... 100,896
	.....	2001	..... 55,820	.....	..... 37,374	..... 93,194

PART 3 - DIRECTOR COMPENSATION

1  Name and Principal Position or Occupation	2  Compensation Paid or Deferred for Services as Director	3  All Other Compensation Paid or Deferred	4  Totals
9999999 .....	.....	.....	.....



# SVO Compliance Certification

"The undersigned is an officer of the insurer responsible for reporting investments to the SVO and/or with making all filings with appropriate state regulatory officials and the NAIC and is therefore required to be familiar with the requirements of such filings. The undersigned officer certifies that, to the best of his or her knowledge, information, and belief, all prices or NAIC designations for the securities reported in this statement have been obtained directly from the SVO except as specifically identified below. The officer further certifies that, to the best of his or her knowledge, information, and belief, since the last filing of a quarterly or annual statement:

- 1. All securities previously valued by the insurer and identified by a Z suffix have now been submitted to the SVO for a valuation or disposed of by sale or otherwise with the result that all prices and NAIC Designations reported in this statement have been provided by the SVO, except for provisionally exempt securities and new purchases identified in Schedule D and DA with a Z suffix or items submitted but not yet processed by the SVO.
- 2. Any newly purchased securities now identified with a Z suffix shall be submitted to the SVO within 120 days of purchase.
- 3. All necessary information on securities that have been previously designated NR (not rated due to lack of current information) by the SVO have either been submitted to the SVO by the insurer for a valuation or disposed of by the insurer.
- 4. All material issuer events (as defined below) have been reported to the SVO."

A material issuer event is a generic or transaction specific credit event of which the insurer is currently aware that, by its nature, would signify to a reasonably prudent insurer that a material change in the credit quality or price of the investment or security has occurred.

As an illustration, and not by way of limitation, the following shall be deemed to constitute material issuer events:

- a. Recapitalizations or capital restructuring whether within or without Chapter 11 of the US Bankruptcy Code;
- b. Nonpayment, deferral, or payment in kind through waiver of any principal or contractual interest payment;
- c. Any change in the maturity of a security;
- d. Changes in the lender’s collateral position, including releases of collateral, or the taking of a collateral position whether by operation of negative pledge covenant or otherwise;
- e. Events of a like character or of a like effect, which would be considered material to an investment professional.
- f. Exceptions\_\_\_\_\_

Harold Hoke Cantrell, Jr.  
Name of Investment Officer

\_\_\_\_\_  
Signature of Investment Officer

Assistant Treasurer  
Title of Signatory

\_\_\_\_\_  
Date

**LONG-TERM CARE (LTC) EXPERIENCE REPORTING FORM-A (Continued)**

**PART 2 - LTC INSURANCE EXPERIENCE BY LINE OF BUSINESS**

		1	2	3	4
		Earned Premiums By Duration	Incurred and Paid	Reserve for Incurred But Unpaid	Total Incurred Claims
1.	Individual .....	<b>N O N E</b>			
2.	Group Direct Response .....				
3.	Other Group .....				
4.	TOTAL (Sum of Lines 1 to 3) .....				

**PART 3 - EXPERIENCE FOR PRODUCTS PROVIDING LTC INSURANCE OTHER THAN ON A STAND-ALONE BASIS**

		Premiums and Annuity Considerations		Benefits	
		1	2	3	4
		Total	Long-Term Care Benefit Component	Total	Applied to Provide Long-Term Care Benefits
A.	Products Providing LTC Benefits With Distinct LTC Premiums .....				
1.	Individual - Life .....				
2.	Individual - Annuity .....				
3.	Individual - Disability .....				
4.	Individual - Other .....				
5.	Group - Life .....				
6.	Group - Annuity .....				
7.	Group - Disability .....	<b>N O N E</b>			
8.	Group - Other .....				
B.	Products Providing LTC Benefits Without Distinct LTC Premiums .....				
1.	Individual - Life .....				
2.	Individual - Annuity .....				
3.	Individual - Disability .....				
4.	Individual - Other .....				
5.	Group - Life .....				
6.	Group - Annuity .....				
7.	Group - Disability .....				
8.	Group - Other .....				

LTCA-2

LONG-TERM CARE EXPERIENCE REPORTING FORM-B

		3	4	5	6	7	8
1.	Individual .....	.....	.....	... X X X .....	... X X X .....	... X X X .....	... X X X .....
2.	Group direct response .....	.....	.....	... X X X .....	... X X X .....	... X X X .....	... X X X .....
3.	Other group .....	.....	.....	... X X X .....	... X X X .....	... X X X .....	... X X X .....
4.	Total (Sum of Lines 1 to 3) .....	N O N E		... X X X .....	... X X X .....	... X X X .....	... X X X .....
5.	Actual total reported experience through statement year .....			... X X X .....	... X X X .....	... X X X .....	... X X X .....
6.	Actual total reported experience through prior year .....			... X X X .....	... X X X .....	... X X X .....	... X X X .....
7.	Calendar year reported experience (Lines 5 minus 6) .....			... X X X .....	... X X X .....	... X X X .....	... X X X .....

Note: a. Was experience prior to 1991 used in preparing this form? Yes[ ] No[X]  
b. If yes, indicate the calendar years that were included:



## Management's Discussion and Analysis

### VOLUNTEER STATE HEALTH PLAN MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2003

#### HISTORY

Volunteer State Health Plan (VSHP), a wholly owned subsidiary of BlueCross BlueShield of Tennessee (BCBST), began operations November 1, 1996. VSHP provides coverage for TennCare<sup>SM</sup> members only and does not provide coverage for any other members. VSHP provides services to all Community Service Areas (CSAs) in the State of Tennessee and assumed total medical risk through June 30, 2000. For the period July 1, 2000 through June 30, 2001, VSHP operated under an Exigency amendment which removed all medical risk. Effective July 1, 2001, VSHP entered into two new arrangements with the State of Tennessee. The first arrangement was known as BlueCare East. Under this arrangement, VSHP provided coverage for members in the Grand East Region and was at risk for the first \$33M in underwriting losses. For this contract period, the losses exceeded this loss limit and the State was responsible for excess losses. Effective July 1, 2002, the State of Tennessee converted all managed care organizations (MCO's), to administrative services only (ASO) arrangements. This conversion is called the Stabilization Plan. The second arrangement is statewide and is known as TennCare<sup>SM</sup> Select. VSHP operates under an ASO agreement for this line of the business. TennCare Select provides services for children in state custody or at risk of being placed in state custody. Furthermore, TennCare Select has received additional enrollment from MCOs with terminated contracts. These enrollees remain in TennCare Select until the Bureau of TennCare determines if the remaining contracted TennCare MCOs are able to accept additional enrollees. VSHP continued its business operations under the two ASO agreements in 2003.

#### A. FINANCIAL POSITION

##### (I) ASSETS

Total cash was made possible by monthly funds received from the State of Tennessee.

The amounts receivable relating to uninsured accident and health plans decreased \$2.1 million due to ASO premium tax receivable no longer being reported.

Net deferred tax asset decreased \$1.7 million due primarily to the entire asset being nonadmitted in 2003.

##### (II) LIABILITIES

The estimate for unpaid claims (\$1.6 million) has been eliminated in 2003 due to the termination of our insured arrangement effective June 30, 2002. TennCare Select and the Stabilization Plan are uninsured plans and thus no liability for unpaid claims is reported on the balance sheet for dates of service after June 30, 2002.

There is a decrease of \$.7 million in general expenses due or accrued related to a decrease in premium tax payable on the insured plans with dates of service through June 30, 2002.

The liability for amounts held under uninsured accident and health plans decreased \$2.9 million due to ASO premium tax payable no longer being reported.

# Management’s Discussion and Analysis

Revised estimates for the contingent legal liability reduced the payable by \$750K.

The liability for “Exigency Post-Settlement Activity” was reduced by \$820K from 2002 to 2003 due to payments to the State of Tennessee.

## (III) CAPITAL AND SURPLUS ACCOUNTS

VSHP reported a decrease in reserves from 2002 to 2003 of \$1.9 million. This can be attributed to net losses, a decrease in net deferred income tax, and a correction of an error to deferred tax calculation offset by a decrease in nonadmitted assets.

## B. RESULTS OF OPERATIONS

- (I) VSHP reported a net loss in the current year of \$250,577.
- (II) TennCare Select and the Stabilization Plan receive an administrative fee from the State. The State is invoiced for claims on a paid basis.

## C. CASH FLOW AND LIQUIDITY

- (I) VSHP will use funds received from the State to cover expenses.
- (II) No problems are anticipated with the ongoing collection of revenues from the State.
- (III) As of December 31, 2003, VSHP has not entered into any material commitments for capital expenditures.

## LOOKING FORWARD

VSHP’s contract with the State under both the Stabilization Plan and TennCare Select are effective through December 31, 2004.

Please be advised that these comments represent information furnished by management in good faith. As a result, management disclaims any responsibility for the accuracy of any forward-looking information supplied within this document.



**SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES**  
**Due April 1**

For the year ended December 31, 2003

Of The Volunteer State Health Plan, Inc.  
Address (City, State, Zip Code) Chattanooga, TN, 37402  
NAIC Group Code 0000 NAIC Company Code 00000 Employer's ID Number 62-1656610

The Investment Risk Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.  
Answer the following interrogatories by stating the applicable U. S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments as shown on the Summary Investment Schedule. All reporting entities must answer interrogatories 1 through 4, 11, 13 through 17, 19 and if applicable, 20 through 24. Answer each of interrogatories 5 through 10 only if the reporting entity's aggregate holding in the gross investment category addressed in interrogatory 4 equals or exceeds 2.5% of the reporting entity's total admitted assets. Answer interrogatory 12 only if the reporting entity's aggregate holding in the gross investment category addressed in interrogatory 11 equals or exceeds 2.5% of the reporting entity's total admitted assets. Answer interrogatory 18 only if the reporting entity's aggregate holding in the gross investment category addressed in interrogatory 17 equals or exceeds 2.5% of the reporting entity's total admitted assets. For Life, Health and Fraternal blanks, responses are to exclude Separate Accounts. For Property Casualty blank, responses are to exclude Protected Cell Accounts.

1. State the reporting entity's total admitted assets as reported on Page 2 of this annual statement. \$..... 42,391,482

1	2	3
Investment Category	Amount	Percentage of Total Admitted Assets
2. State by investment category the 10 largest exposures to a single issuer/borrower/investment, excluding U.S. government, U.S. government agency securities and those U.S. Government money market funds listed in the Appendix to the SVO Purposes and Procedures Manual as exempt, property occupied by the company and policy loans.		
2.01 Federated Prime Obligations (Class One Money Mkt Funds) .....	36,500,803	86.104
2.02 .....		
2.03 .....		
2.04 .....		
2.05 .....		
2.06 .....		
2.07 .....		
2.08 .....		
2.09 .....		
2.10 .....		

NAIC Rating	1	2
	Amount	Percent
3. State the amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.		
<b>Bonds</b>		
3.01 NAIC-1 .....	16,735,531	39.479
3.02 NAIC-2 .....		
3.03 NAIC-3 .....		
3.04 NAIC-4 .....		
3.05 NAIC-5 .....		
3.06 NAIC-6 .....		
<b>Preferred Stocks</b>		
3.07 P/RP-1 .....		
3.08 P/RP-2 .....		
3.09 P/RP-3 .....		
3.10 P/RP-4 .....		
3.11 P/RP-5 .....		
3.12 P/RP-6 .....		

**SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)**

Description		1 Amount	2 Percent
4.	State the amounts and percentages of the reporting entity's total admitted assets held in foreign investments (regardless of whether there is any foreign currency exposure) and unhedged foreign currency exposure (defined as the statement value of investments denominated in foreign currencies which are not hedged by financial instruments qualifying for hedge accounting as specified in SSAP No. 31 - Derivative Instruments and SSAP No. 86 - Derivative Instruments), including: 4.01 Foreign-currency-denominated investments of ..... 4.02 Supporting insurance liabilities denominated in that same foreign currency of ..... 4.03 Excluding Canadian investments and currency exposure of ..... 4.04 Assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatories 5 - 10 .....		
		... Yes[X] No[ ] ...	

Description		1 Amount	2 Percent
5.	Aggregate foreign investment exposure categorized by NAIC sovereign rating: 5.01 Countries rated NAIC-1 ..... 5.02 Countries rated NAIC-2 ..... 5.03 Countries rated NAIC-3 or below .....		

Description		1 Amount	2 Percent
6.	Two largest foreign investment exposures to a single country, categorized by the country's NAIC sovereign rating: Countries rated NAIC-1: 6.01 ..... 6.02 ..... Countries rated NAIC-2: 6.03 ..... 6.04 ..... Countries rated NAIC-3 or below: 6.05 ..... 6.06 .....		

Description		1 Amount	2 Percent
7.	Aggregate unhedged foreign currency exposure .....		

Description		1 Amount	2 Percent
8.	Aggregate unhedged foreign currency exposure categorized by NAIC sovereign rating: 8.01 Countries rated NAIC-1 ..... 8.02 Countries rated NAIC-2 ..... 8.03 Countries rated NAIC-3 or below .....		

Description		1 Amount	2 Percent
9.	Two largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating: Countries rated NAIC-1: 9.01 ..... 9.02 ..... Countries rated NAIC-2: 9.03 ..... 9.04 ..... Countries rated NAIC-3 or below: 9.05 ..... 9.06 .....		

**SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)**

Description - Include NAIC rating		1 Amount	2 Percent
10.	List the 10 largest non-sovereign (i.e. non-governmental) foreign issues:		
10.01	.....	.....	.....
10.02	.....	.....	.....
10.03	.....	.....	.....
10.04	.....	.....	.....
10.05	.....	.....	.....
10.06	.....	.....	.....
10.07	.....	.....	.....
10.08	.....	.....	.....
10.09	.....	.....	.....
10.10	.....	.....	.....

Description		1 Amount	2 Percent
11.	State the amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure, including:		
11.01	Canadian-currency-denominated investments of .....	.....	.....
11.02	Supporting Canadian-denominated insurance liabilities of .....	.....	.....
11.03	Assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 12. ....	Yes[X] No[ ] ...	

Description		1 Amount	2 Percent
12.	Aggregate Canadian investment exposure.		
12.01	Canadian investments .....	.....	.....
12.02	Unhedged Canadian currency exposure .....	.....	.....

13. State the aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions (defined as investments having restrictions that prevent investments from being sold within 90 days).  
Assets held in investments with contractual sales restrictions less than 2.5 % of the reporting entity's total admitted assets, therefore detail not required for interrogatory 13.

Yes[X] No[ ]

Description		1 Amount	2 Percent
13.01	Aggregate statement value of investments with contractual sales restrictions .....	.....	.....
Largest 3 investments with contractual sales restrictions:			
13.02	.....	.....	.....
13.03	.....	.....	.....
13.04	.....	.....	.....

**SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)**

14. State the amounts and percentages of admitted assets held in the largest 10 equity interests (including investments in the shares of mutual funds, preferred stocks, publicly traded equity securities, and other equity securities, and excluding money market and bond mutual funds listed in the Appendix to the SVO Practices and Procedures Manual as exempt or Class 1).  
Assets held in equity interests less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 14.

Yes[X] No[ ]

1 Investment Category	2 Amount	3 Percent
Assets held in equity interests:		
14.01 .....	.....	.....
14.02 .....	.....	.....
14.03 .....	.....	.....
14.04 .....	.....	.....
14.05 .....	.....	.....
14.06 .....	.....	.....
14.07 .....	.....	.....
14.08 .....	.....	.....
14.09 .....	.....	.....
14.10 .....	.....	.....

15. State the amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities (included in other equity securities) and excluding securities eligible for sale under Securities Exchange Commission (SEC) Rule 144a or SEC Rule 144 without volume restrictions.  
Assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 15.

Yes[X] No[ ]

1 Description	2 Amount	3 Percent
15.01 Aggregate statement value of investments held in nonaffiliated, privately placed equities .....		
Largest 3 investments held in nonaffiliated, privately placed equities:		
15.02 .....	.....	.....
15.03 .....	.....	.....
15.04 .....	.....	.....

16. State the amounts and percentages of the reporting entity's total admitted assets held in general partnership interests (included in other equity securities).  
  
Assets held in general partnership interests less than 2.5 % of the reporting entity's total admitted assets, therefore detail not required for interrogatory 16.

Yes[X] No[ ]

1 Description	2 Amount	3 Percent
16.01 Aggregate statement value of investments held in general partnership interests .....		
Largest 3 investments with contractual sales restrictions:		
16.02 .....	.....	.....
16.03 .....	.....	.....
16.04 .....	.....	.....

**SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)**

17. With respect to mortgage loans reported in Schedule B, state the amounts and percentages of the reporting entity's total admitted assets held.

Mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatories 17 and 18.  
Each of the 10 largest aggregate mortgage interests. The aggregate mortgage interest represents the combined value of all mortgages secured by the same property or same group of properties:

Yes[X] No[ ]

1 Type (Residential, Commercial, Agricultural)		2 Amount	3 Percent
17.01	.....	.....	.....
17.02	.....	.....	.....
17.03	.....	.....	.....
17.04	.....	.....	.....
17.05	.....	.....	.....
17.06	.....	.....	.....
17.07	.....	.....	.....
17.08	.....	.....	.....
17.09	.....	.....	.....
17.10	.....	.....	.....

Loan-to-Value		Residential		Commercial		Agricultural	
		1 Amount	2 Percent	3 Amount	4 Percent	5 Amount	6 Percent
18.	Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:						
18.01	Above 95% .....	.....	.....	.....	.....	.....	.....
18.02	91% to 95% .....	.....	.....	.....	.....	.....	.....
18.03	81% to 90% .....	.....	.....	.....	.....	.....	.....
18.04	71% to 80% .....	.....	.....	.....	.....	.....	.....
18.05	Below 70% .....	.....	.....	.....	.....	.....	.....

Description		1 Amount	2 Percent
18.06	Construction loans .....	.....	.....
18.07	Mortgage loans over 90 days past due .....	.....	.....
18.08	Mortgage loans in the process of foreclosure .....	.....	.....
18.09	Mortgage loans foreclosed .....	.....	.....
18.10	Restructured mortgage loans .....	.....	.....

19. State the amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in one parcel or group of contiguous parcels of real estate reported in Schedule A, excluding property occupied by the company.

Assets held in each of the five largest investments in one parcel or group of contiguous parcels of real estate reported in Schedule A less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 19.

Yes[X] No[ ]

1 Description		2 Amount	3 Percent
19.01	.....	.....	.....
19.02	.....	.....	.....
19.03	.....	.....	.....
19.04	.....	.....	.....
19.05	.....	.....	.....

**SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)**

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
20. State the amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:					
20.01 Securities lending (do not include assets held as collateral for such transactions) .....					
20.02 Repurchase agreements .....					
20.03 Reverse repurchase agreements .....					
20.04 Dollar repurchase agreements .....					
20.05 Dollar reverse repurchase agreements .....					

Description	Owned		Written	
	1 Amount	2 Percent	3 Amount	4 Percent
21. State the amounts and percentages indicated below for warrants not attached to other financial instruments, options, caps, and floors:				
21.01 Hedging .....				
21.02 Income generation .....				
21.03 Other .....				

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
22. State the amounts and percentages indicated below of potential exposure (defined as the amount determined in accordance with the NAIC Annual Statement Instructions) for collars, swaps, and forwards:					
22.01 Hedging .....	<div>NONE</div>				
22.02 Income generation .....					
22.03 Replications .....					
22.04 Other .....					

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
23. State the amounts and percentages indicated below of potential exposure (defined as the amount determined in accordance with the NAIC Annual Statement Instructions) for futures contracts:					
23.01 Hedging .....					
23.02 Income generation .....					
23.03 Replications .....					
23.04 Other .....					

1 Investments		2 Amount	3 Percent
24. State the amounts and percentages of 10 largest investments included in the Write-ins for Invested Assets category included on the Summary Investment Schedule:			
24.01 .....			
24.02 .....			
24.03 .....			
24.04 .....			
24.05 .....			
24.06 .....			
24.07 .....			
24.08 .....			
24.09 .....			
24.10 .....			



# Audited Financial Report



**LIFE SUPPLEMENTS**

**TO BE FILED ON OR BEFORE MARCH 1**

**For the Year Ended December 31, 2003**

Of The Volunteer State Health Plan, Inc. Insurance Company

Address (City, State and Zip Code) Chattanooga, TN 37402

NAIC Group Code 0000 NAIC Company Code 00000 Employer's ID Number 62-1656610

**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0199998 Reinsurance Ceded .....	.....	.....	.....	.....	.....
0199999 Totals - (Net) .....	.....	.....	.....	.....	.....
0299998 Reinsurance Ceded .....	.....	X X X .....	.....	X X X .....	.....
0299999 Totals - (Net) .....	.....	X X X .....	.....	X X X .....	.....
0399998 Reinsurance Ceded .....	.....	.....	.....	.....	.....
0399999 Totals - (Net) .....	.....	.....	.....	.....	.....
0499998 Reinsurance Ceded .....	.....	.....	.....	.....	.....
0499999 Totals - (Net) .....	.....	.....	.....	.....	.....
0599998 Reinsurance Ceded .....	.....	.....	.....	.....	.....
0599999 Totals - (Net) .....	.....	.....	.....	.....	.....
0699998 Reinsurance Ceded .....	.....	.....	.....	.....	.....
0699999 Totals - (Net) .....	.....	.....	.....	.....	.....
0799997 Subtotal - Miscellaneous Reserves (Gross) .....	.....	.....	.....	.....	.....
0799998 Reinsurance Ceded .....	.....	.....	.....	.....	.....
0799999 Totals - (Net) .....	.....	.....	.....	.....	.....
9999999 Totals - (Net) -Page 3, Line 1 .....	.....	.....	.....	.....	.....

EXHIBIT 5 - INTERROGATORIES

1.1 Has the reporting entity ever issued both participating and non-participating contracts?  
1.2 If not, state which kind is issued.

Yes[ ] No[X]

2.1 Does the reporting entity at present issue both participating and non-participating contracts?  
2.2 If not, state which kind is issued.

Yes[ ] No[X]

3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?  
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

Yes[ ] No[X]

4. Has the reporting entity any assessment or stipulated premium contracts in force?  
If so, state:  
4.1 Amount of insurance?  
4.2 Amount of reserve?  
4.3 Basis of reserve  
4.4 Basis of regular assessments  
4.5 Basis of special assessments  
4.6 Assessments collected during the year

Yes[ ] No[X]  
\$ .....  
\$ .....  
  
\$ .....

5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts

6. Does the reporting entity hold reserves for any annuity contracts which are less than the reserves that would be held on a standard basis?  
6.1 If so, state the amount or reserve on such contracts on the basis actually held:  
6.2 Which would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1, and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:  
Attach statement of methods employed in their valuation.

Yes[ ] No[X]  
\$ .....  
  
\$ .....

7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?  
7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements?  
7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount  
7.3 State the amount of reserves established for this business:  
7.4 Identify where the reserves are reported in the blank

Yes[ ] No[X]  
\$ .....  
  
\$ .....

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Supplemental Contracts and Annuities Certain	Dividend Accumulations or Refunds	Premium and Other Deposit Funds	Other
1. Balance at the beginning of the year before reinsurance .....	.....	.....	.....	.....	.....	.....
2. Deposits received during the year .....	.....	.....	.....	.....	.....	.....
3. Investment earnings credited to the account .....	.....	.....	.....	.....	.....	.....
4. Other net change in reserves .....	.....	.....	.....	.....	.....	.....
5. Fees and other charges assessed .....	.....	.....	.....	.....	.....	.....
6. Surrender charges .....	.....	.....	.....	.....	.....	.....
7. Net surrender or withdrawal payments .....	.....	.....	.....	.....	.....	.....
8. Other net transfers to or (from) Separate Accounts .....	.....	.....	.....	.....	.....	.....
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8) .....	.....	.....	.....	.....	.....	.....
10. Reinsurance balance at the beginning of the year .....	.....	.....	.....	.....	.....	.....
11. Net change in reinsurance assumed .....	.....	.....	.....	.....	.....	.....
12. Net change in reinsurance ceded .....	.....	.....	.....	.....	.....	.....
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12) .....	.....	.....	.....	.....	.....	.....
14. Net balance at the end of current year after reinsurance (Lines 9 + 13) .....	.....	.....	.....	.....	.....	.....

**SCHEDULE S - PART 1 - SECTION 1**

**Reinsurance Assumed Life Insurance, Annuities, Deposit Funds and Other Liabilities**

**Without Life or Disability Contingencies, and Related Benefits Listed by Reinsured Company as of December 31, Current Year**

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Location	Type of Reinsurance Assumed	Amount of Inforce at End of Year	Reserve	Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
0799999	Totals										

**SCHEDULE S - PART 3 - SECTION 1**

**Reinsurance Ceded Life Insurance, Annuities, Deposit Funds and Other Liabilities Without Life or Disability  
Contingencies, and Related Benefits Listed by Reinsuring Company as of December 31, Current Year**

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4  Name of Company	5  Location	6 Type of Reinsurance Ceded	7 Amount in Force at End of Year	Reserve Credit Taken		10  Premiums	Outstanding Surplus Relief		13 Modified Coinsurance Reserve	14 Funds Withheld Under Coinsurance
							8 Current Year	9 Prior Year		11 Current Year	12 Prior Year		
0799999 Totals .....						.....	.....	.....	.....	.....	.....	.....	.....

**OVERFLOW PAGE FOR WRITE-INS**

**OVERFLOW PAGE FOR WRITE-INS**



PROPERTY / CASUALTY SUPPLEMENTS

TO BE FILED ON OR BEFORE MARCH 1

For the Year 

NONE

, 2003

Of The Volunteer State Health Plan, Inc. Insurance Company

Address (City, State and Zip Code) Chattanooga, TN 37402

NAIC Group Code 0000 NAIC Company Code 00000 Employer's ID Number 62-1656610

**SCHEDULE F - PART 1**

**Assumed Reinsurance as of December 31, Current Year (000 Omitted)**

1	2	3	4	5	Reinsurance On			9	10	11	12	13	14
					6	7	8						
Federal ID Number	NAIC Company Code	Name of Reinsured	Domiciliary Jurisdiction	Assumed Premium	Paid Losses and Loss Adjustment Expenses	Known Case Losses and LAE	Columns 6 + 7	Contingent Commissions Payable	Assumed Premiums Receivable	Unearned Premium	Funds Held By or Deposited With Reinsured Companies	Letters of Credit Posted	Amount of Assets Pledged or Compensating Balances to Secure Letters of Credit
				NONE									
9999999 Totals .....				.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

**SCHEDULE F - PART 3**

**Ceded Reinsurance as of December 31, Current Year (000 Omitted)**

1	2	3	4	5	6	Reinsurance Recoverable On									Reinsurance Payable		18	19
						7	8	9	10	11	12	13	14	15	16	17	Net Amount Recoverable From Reinsurers Cols. 15- [16 + 17]	Funds Held By Company Under Reinsurance Treaties
Federal ID Number	NAIC Co. Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	Reinsurance Premiums Ceded	Paid Losses	Paid LAE	Known Case Loss Reserves	Known Case LAE Reserves	IBNR Loss Reserves	IBNR LAE Reserves	Unearned Premiums	Contingent Commissions	Columns 7 thru 14 Totals	Ceded Balances Payable	Other Amounts Due to Reinsurers		
9999999 Totals .....					.....	.....												

NONE

NOTE: Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported in excess of \$50,000:

	1	2	3
	Name of Company	Commission Rate	Ceded Premium
1)	.....		.....
2)	.....		.....
3)	.....		.....
4)	.....		.....
5)	.....		.....

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES  
SCHEDULE P - PART 1 - SUMMARY

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...									... X X X ...
2.	1994 ...												... X X X ...
3.	1995 ...												... X X X ...
4.	1996 ...												... X X X ...
5.	1997 ...												... X X X ...
6.	1998 ...												... X X X ...
7.	1999 ...												... X X X ...
8.	2000 ...												... X X X ...
9.	2001 ...												... X X X ...
10.	2002 ...												... X X X ...
11.	2003 ...												... X X X ...
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...									... X X X ...

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior													XXX
2. 1994													XXX
3. 1995													XXX
4. 1996													XXX
5. 1997													XXX
6. 1998													XXX
7. 1999													XXX
8. 2000													XXX
9. 2001													XXX
10. 2002													XXX
11. 2003													XXX
12. Totals													XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

**SCHEDULE P - PART 1A**  
**HOMEOWNERS/FARMOWNERS**

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1D  
WORKER'S COMPENSATION

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12  Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..
2.	1994	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	1995	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	1996	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5.	1997	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6.	1998	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7.	1999	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8.	2000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9.	2001	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10.	2002	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11.	2003	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12.	Totals	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1E  
COMMERCIAL MULTIPLE PERIL

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1F - SECTION 1  
MEDICAL MALPRACTICE - OCCURRENCE

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1F - SECTION 2  
MEDICAL MALPRACTICE - CLAIMS - MADE

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1G

SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

**SCHEDULE P - PART 1H - SECTION 1**  
**OTHER LIABILITY - OCCURRENCE**

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1H - SECTION 2  
OTHER LIABILITY - CLAIMS - MADE

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1I

SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

(\$000 omitted)												
Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4	5	6	7	8	9			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
2. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
3. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
4. Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23	24	25	
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR							
	13	14	15	16	17	18	19	20	21	22				
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	NONE				Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 2002	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2003	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Totals	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

**SCHEDULE P - PART 1J**  
**AUTO PHYSICAL DAMAGE**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...									... X X X ...
2.	2002 ...	.....	.....	.....									.....
3.	2003 ...	.....	.....	.....									.....
4.	Totals ...	... X X X ...	... X X X ...	... X X X ...									... X X X ...

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23	24	25	
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22				
	13	14	15	16	17	18	19	20						
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	NONE				Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 2002	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2003	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Totals	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

NONE

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

**SCHEDULE P - PART 1K**  
**FIDELITY/SURETY**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Columns 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
2. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
3. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
4. Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Totals ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

NONE

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1L  
OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ...	
2.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	
3.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	
4.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ...	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23	24	25	
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR							
	13	14	15	16	17	18	19	20	21	22				
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	NONE				Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 2002	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2003	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Totals	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1M  
INTERNATIONAL

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1N - REINSURANCE  
Nonproportional Assumed Property

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed	
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR							
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded				
1. Prior	.....	.....	.....	.....	.....	N O N E				.....	.....	... X X X ..		
2. 1994	.....	.....	.....	.....	.....					.....	.....	.....	.....	... X X X ..
3. 1995	.....	.....	.....	.....	.....					.....	.....	.....	.....	... X X X ..
4. 1996	.....	.....	.....	.....	.....					.....	.....	.....	.....	... X X X ..
5. 1997	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
6. 1998	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
7. 1999	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
8. 2000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
9. 2001	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
10. 2002	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
11. 2003	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
12. Totals	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 10 - REINSURANCE  
Nonproportional Assumed Liability

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							... X X X ..
2. 1994						NONE							... X X X ..
3. 1995						NONE							... X X X ..
4. 1996						NONE							... X X X ..
5. 1997						NONE							... X X X ..
6. 1998						NONE							... X X X ..
7. 1999						NONE							... X X X ..
8. 2000						NONE							... X X X ..
9. 2001						NONE							... X X X ..
10. 2002						NONE							... X X X ..
11. 2003						NONE							... X X X ..
12. Totals						NONE							... X X X ..

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1P - REINSURANCE  
Nonproportional Assumed Financial Lines

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed	
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR							
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded				
1. Prior	.....	.....	.....	.....	.....	N O N E				.....	.....	... X X X ..		
2. 1994	.....	.....	.....	.....	.....					.....	.....	.....	.....	... X X X ..
3. 1995	.....	.....	.....	.....	.....					.....	.....	.....	.....	... X X X ..
4. 1996	.....	.....	.....	.....	.....					.....	.....	.....	.....	... X X X ..
5. 1997	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
6. 1998	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
7. 1999	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
8. 2000	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
9. 2001	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
10. 2002	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
11. 2003	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		
12. Totals	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..		

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ..

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1R - SECTION 2  
PRODUCTS LIABILITY - CLAIMS - MADE

(\$000 omitted)													
Years in Which Premiums Were Earned and Losses Were Incurred		Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
		1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
					4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1.	Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
3.	1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
4.	1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
5.	1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
6.	1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
7.	1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
8.	2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
9.	2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
10.	2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
11.	2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
12.	Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ..	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23  Salvage and Subrogation Anticipated	24  Total Net Losses and Expenses Unpaid	25  Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13  Direct and Assumed	14  Ceded	15  Direct and Assumed	16  Ceded	17  Direct and Assumed	18  Ceded	19  Direct and Assumed	20  Ceded	21  Direct and Assumed	22  Ceded			
1. Prior						NONE							
2. 1994													
3. 1995													
4. 1996													
5. 1997													
6. 1998													
7. 1999													
8. 2000													
9. 2001													
10. 2002													
11. 2003													
12. Totals													

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34  Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26  Direct and Assumed	27  Ceded	28  Net	29  Direct and Assumed	30  Ceded	31  Net	32  Loss	33  Loss Expense		35  Losses Unpaid	36  Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

SCHEDULE P - PART 1S  
FINANCIAL GUARANTY/MORTGAGE GUARANTY

(\$000 omitted)												
Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4	5	6	7	8	9			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
2. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
3. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...
4. Totals ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23	24	25	
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22				
	13	14	15	16	17	18	19	20						
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	NONE				Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 2002	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2003	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Totals	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....
2. 2002 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2003 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Totals ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	.....	.....

**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	One Year	Two Year
1. Prior ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	... X X X .....	... X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	... X X X .....	... X X X .....	... X X X .....	.....	N O N E			.....	.....	.....	.....	.....
6. 1998 ...	... X X X .....	... X X X .....	... X X X .....	... X X X .....				.....	.....	.....	.....	.....
7. 1999 ...	... X X X .....	... X X X .....	... X X X .....	... X X X .....				.....	.....	.....	.....	.....
8. 2000 ...	... X X X .....	... X X X .....	... X X X .....	... X X X .....				.....	.....	.....	.....	.....
9. 2001 ...	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	.....	.....	.....	.....	.....
10. 2002 ...	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	.....	.....	.....	... X X X ..
11. 2003 ...	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	... X X X .....	.....	... X X X ..	... X X X ..
12. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE P - PART 2A  
HOMEOWNERS/FARMOWNERS

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1994	2 1995	3 1996	4 1997	5 1998	6 1999	7 2000	8 2001	9 2002	10 2003	11 One Year	12 Two Year
1. Prior .....												
2. 1994 .....												
3. 1995 .....	X X X											
4. 1996 .....	X X X	X X X										
5. 1997 .....	X X X	X X X	X X X									
6. 1998 .....	X X X	X X X	X X X	X X X								
7. 1999 .....	X X X	X X X	X X X	X X X								
8. 2000 .....	X X X	X X X	X X X	X X X								
9. 2001 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
10. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X
11. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
12. TOTALS .....												

SCHEDULE P - PART 2B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL

1. Prior .....												
2. 1994 .....												
3. 1995 .....	X X X											
4. 1996 .....	X X X	X X X										
5. 1997 .....	X X X	X X X	X X X									
6. 1998 .....	X X X	X X X	X X X	X X X								
7. 1999 .....	X X X	X X X	X X X	X X X								
8. 2000 .....	X X X	X X X	X X X	X X X								
9. 2001 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
10. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X
11. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
12. TOTALS .....												

SCHEDULE P - PART 2C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

1. Prior .....												
2. 1994 .....												
3. 1995 .....	X X X											
4. 1996 .....	X X X	X X X										
5. 1997 .....	X X X	X X X	X X X									
6. 1998 .....	X X X	X X X	X X X	X X X								
7. 1999 .....	X X X	X X X	X X X	X X X								
8. 2000 .....	X X X	X X X	X X X	X X X								
9. 2001 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
10. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X
11. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
12. TOTALS .....												

SCHEDULE P - PART 2D  
WORKERS' COMPENSATION

1. Prior .....												
2. 1994 .....												
3. 1995 .....	X X X											
4. 1996 .....	X X X	X X X										
5. 1997 .....	X X X	X X X	X X X									
6. 1998 .....	X X X	X X X	X X X	X X X								
7. 1999 .....	X X X	X X X	X X X	X X X								
8. 2000 .....	X X X	X X X	X X X	X X X								
9. 2001 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
10. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X
11. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
12. TOTALS .....												

SCHEDULE P - PART 2E  
COMMERCIAL MULTIPLE PERIL

1. Prior .....												
2. 1994 .....												
3. 1995 .....	X X X											
4. 1996 .....	X X X	X X X										
5. 1997 .....	X X X	X X X	X X X									
6. 1998 .....	X X X	X X X	X X X	X X X								
7. 1999 .....	X X X	X X X	X X X	X X X								
8. 2000 .....	X X X	X X X	X X X	X X X								
9. 2001 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
10. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X
11. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
12. TOTALS .....												

**SCHEDULE P - PART 2F - SECTION 1**  
**MEDICAL MALPRACTICE - OCCURRENCE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1994	2 1995	3 1996	4 1997	5 1998	6 1999	7 2000	8 2001	9 2002	10 2003	11 One Year	12 Two Year
1. Prior .....												
2. 1994 .....												
3. 1995 .....	X X X											
4. 1996 .....	X X X	X X X										
5. 1997 .....	X X X	X X X	X X X									
6. 1998 .....	X X X	X X X	X X X	X X X								
7. 1999 .....	X X X	X X X	X X X	X X X								
8. 2000 .....	X X X	X X X	X X X	X X X								
9. 2001 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X					
10. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X				X X X
11. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X	X X X
12. TOTALS .....												

**SCHEDULE P - PART 2F - SECTION 2**  
**MEDICAL MALPRACTICE - CLAIMS MADE**

1. Prior .....												
2. 1994 .....												
3. 1995 .....	X X X											
4. 1996 .....	X X X	X X X										
5. 1997 .....	X X X	X X X	X X X									
6. 1998 .....	X X X	X X X	X X X	X X X								
7. 1999 .....	X X X	X X X	X X X	X X X								
8. 2000 .....	X X X	X X X	X X X	X X X								
9. 2001 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X					
10. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X				X X X
11. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X	X X X
12. TOTALS .....												

**SCHEDULE P - PART 2G**  
**SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

1. Prior .....												
2. 1994 .....												
3. 1995 .....	X X X											
4. 1996 .....	X X X	X X X										
5. 1997 .....	X X X	X X X	X X X									
6. 1998 .....	X X X	X X X	X X X	X X X								
7. 1999 .....	X X X	X X X	X X X	X X X								
8. 2000 .....	X X X	X X X	X X X	X X X								
9. 2001 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X					
10. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X				X X X
11. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X	X X X
12. TOTALS .....												

**SCHEDULE P - PART 2H - SECTION 1**  
**OTHER LIABILITY - OCCURRENCE**

1. Prior .....												
2. 1994 .....												
3. 1995 .....	X X X											
4. 1996 .....	X X X	X X X										
5. 1997 .....	X X X	X X X	X X X									
6. 1998 .....	X X X	X X X	X X X	X X X								
7. 1999 .....	X X X	X X X	X X X	X X X								
8. 2000 .....	X X X	X X X	X X X	X X X								
9. 2001 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X					
10. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X				X X X
11. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X	X X X
12. TOTALS .....												

**SCHEDULE P - PART 2H - SECTION 2**  
**OTHER LIABILITY - CLAIMS MADE**

1. Prior .....												
2. 1994 .....												
3. 1995 .....	X X X											
4. 1996 .....	X X X	X X X										
5. 1997 .....	X X X	X X X	X X X									
6. 1998 .....	X X X	X X X	X X X	X X X								
7. 1999 .....	X X X	X X X	X X X	X X X								
8. 2000 .....	X X X	X X X	X X X	X X X								
9. 2001 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X					
10. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X				X X X
11. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X	X X X
12. TOTALS .....												

SCHEDULE P - PART 2I

SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1994	2 1995	3 1996	4 1997	5 1998	6 1999	7 2000	8 2001	9 2002	10 2003	11 One Year	12 Two Year
1. Prior .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...	N O N E			... ..	... ..	... ..	... ..	... ..
2. 2002 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...				... X X X ...	... ..	... ..	... ..	... X X X ...
3. 2003 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...				... X X X ...	... X X X ...	... ..	... X X X ...	... X X X ...
4. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE P - PART 2J

AUTO PHYSICAL DAMAGE

1. Prior .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...	N O N E			... ..	... ..	... ..	... ..	... ..
2. 2002 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...				... X X X ...	... ..	... ..	... ..	... X X X ...
3. 2003 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...				... X X X ...	... X X X ...	... ..	... X X X ...	... X X X ...
4. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE P - PART 2K

FIDELITY/SURETY

1. Prior .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...	N O N E			... ..	... ..	... ..	... ..	... ..
2. 2002 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...				... X X X ...	... ..	... ..	... ..	... X X X ...
3. 2003 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...				... X X X ...	... X X X ...	... ..	... X X X ...	... X X X ...
4. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE P - PART 2L

OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1. Prior .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...	N O N E			... ..	... ..	... ..	... ..	... ..
2. 2002 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...				... X X X ...	... ..	... ..	... ..	... X X X ...
3. 2003 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...				... X X X ...	... X X X ...	... ..	... X X X ...	... X X X ...
4. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE P - PART 2M

INTERNATIONAL

1. Prior .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 1994 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 .....	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 .....	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 .....	... X X X ...	... X X X ...	... X X X ...	.....	N O N E			... ..	... ..	... ..	... ..	... ..
6. 1998 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...				... ..	... ..	... ..	... ..	... ..
7. 1999 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...				... ..	... ..	... ..	... ..	... ..
8. 2000 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... ..	... ..	... ..	... ..	... ..
9. 2001 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... ..	... ..	... ..	... ..	... ..
10. 2002 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... ..	... ..	... ..	... X X X ...
11. 2003 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... ..	... X X X ...	... X X X ...
12. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

**SCHEDULE P - PART 2N - REINSURANCE**  
**Nonproportional Assumed Property**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	One Year	Two Year
1. Prior .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 1994 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....
10. 2002 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	X X X .....
11. 2003 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	X X X .....	X X X .....
12. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

**SCHEDULE P - PART 2O - REINSURANCE**  
**Nonproportional Assumed Liability**

1. Prior .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 1994 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....
10. 2002 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	X X X .....
11. 2003 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	X X X .....	X X X .....
12. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

**SCHEDULE P - PART 2P - REINSURANCE**  
**Nonproportional Assumed Financial Lines**

1. Prior .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 1994 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....
10. 2002 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	X X X .....
11. 2003 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	X X X .....	X X X .....
12. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE P - PART 2R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	One Year	Two Year
1. Prior .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 1994 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....
10. 2002 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	X X X .....
11. 2003 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	X X X .....	X X X .....
12. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE P - PART 2R - SECTION 2  
PRODUCTS LIABILITY - CLAIMS MADE

1. Prior .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 1994 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....
10. 2002 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	X X X .....
11. 2003 .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	X X X .....	X X X .....
12. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE P - PART 2S  
FINANCIAL GUARANTY/MORTGAGE GUARANTY

1. Prior .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	.....
2. 2002 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	X X X .....
3. 2003 .....	X X X .....	X X X .....	X X X .....	X X X .....	.....	.....	.....	.....	.....	.....	X X X .....
4. TOTALS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred		CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
		1	2	3	4	5	6	7	8	9	10		
		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
1.	Prior ...	... 000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ..
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ..
3.	1995 ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ..
4.	1996 ...	... X X X ...	... X X X ...	.....	.....	<div>NONE</div>			.....	.....	.....	... X X X ...	... X X X ..
5.	1997 ...	... X X X ...	... X X X ...	... X X X ...	.....				.....	.....	.....	... X X X ...	... X X X ..
6.	1998 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...				.....	.....	.....	... X X X ...	... X X X ..
7.	1999 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...				.....	.....	.....	... X X X ...	... X X X ..
8.	2000 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	... X X X ...	... X X X ..
9.	2001 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	... X X X ...	... X X X ..
10.	2002 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	... X X X ..
11.	2003 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	... X X X ...	... X X X ..

**SCHEDULE P - PART 3B**  
**PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

**SCHEDULE P - PART 3C**  
**COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

## SCHEDULE P - PART 3D

### WORKERS' COMPENSATION

## SCHEDULE P - PART 3E

### COMMERCIAL MULTIPLE PERIL

SCHEDULE P - PART 3F SECTION 1  
MEDICAL MALPRACTICE - OCCURRENCE

Years in Which Losses Were Incurred		CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
		1	2	3	4	5	6	7	8	9	10		
		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
1.	Prior ...	... 000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	1995 ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	1996 ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5.	1997 ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....
6.	1998 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
7.	1999 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
8.	2000 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
9.	2001 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....
10.	2002 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....
11.	2003 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....

SCHEDULE P - PART 3F SECTION 2  
MEDICAL MALPRACTICE - CLAIMS MADE

1.	Prior ...	... 000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	1995 ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	1996 ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5.	1997 ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....
6.	1998 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
7.	1999 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
8.	2000 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
9.	2001 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....
10.	2002 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....
11.	2003 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....

SCHEDULE P - PART 3G  
SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)

1.	Prior ...	... 000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
3.	1995 ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
4.	1996 ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
5.	1997 ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
6.	1998 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
7.	1999 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
8.	2000 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
9.	2001 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	... X X X ...	... X X X ...
10.	2002 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	... X X X ...
11.	2003 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	... X X X ...	... X X X ...

SCHEDULE P - PART 3H SECTION 1  
OTHER LIABILITY - OCCURRENCE

1.	Prior ...	... 000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	1995 ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	1996 ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5.	1997 ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....
6.	1998 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
7.	1999 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
8.	2000 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
9.	2001 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....
10.	2002 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....
11.	2003 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....

SCHEDULE P - PART 3H SECTION 2  
OTHER LIABILITY - CLAIMS MADE

1.	Prior ...	... 000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	1995 ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	1996 ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5.	1997 ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....
6.	1998 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
7.	1999 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
8.	2000 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
9.	2001 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....
10.	2002 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....
11.	2003 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....

**SCHEDULE P - PART 3I**

**SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
1. Prior	XXX	XXX	XXX	XXX	NONE			000			XXX	XXX
2. 2002	XXX	XXX	XXX	XXX				XXX			XXX	XXX
3. 2003	XXX	XXX	XXX	XXX				XXX	XXX		XXX	XXX

**SCHEDULE P - PART 3J**

**AUTO PHYSICAL DAMAGE**

1. Prior	XXX	XXX	XXX	XXX	NONE			000				
2. 2002	XXX	XXX	XXX	XXX				XXX				
3. 2003	XXX	XXX	XXX	XXX				XXX	XXX			

**SCHEDULE P - PART 3K**

**FIDELITY/SURETY**

1. Prior	XXX	XXX	XXX	XXX	NONE			000			XXX	XXX
2. 2002	XXX	XXX	XXX	XXX				XXX			XXX	XXX
3. 2003	XXX	XXX	XXX	XXX				XXX	XXX		XXX	XXX

**SCHEDULE P - PART 3L**

**OTHER (INCLUDING CREDIT ACCIDENT AND HEALTH)**

1. Prior	XXX	XXX	XXX	XXX	NONE			000			XXX	XXX
2. 2002	XXX	XXX	XXX	XXX				XXX			XXX	XXX
3. 2003	XXX	XXX	XXX	XXX				XXX	XXX		XXX	XXX

**SCHEDULE P - PART 3M**

**INTERNATIONAL**

1. Prior	000										XXX	XXX
2. 1994											XXX	XXX
3. 1995	XXX										XXX	XXX
4. 1996	XXX	XXX									XXX	XXX
5. 1997	XXX	XXX	XXX		NONE						XXX	XXX
6. 1998	XXX	XXX	XXX	XXX							XXX	XXX
7. 1999	XXX	XXX	XXX	XXX							XXX	XXX
8. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
9. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

**SCHEDULE P - PART 3N - REINSURANCE**  
**Nonproportional Assumed Property**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
1. Prior ...	... 000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
3. 1995 ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
4. 1996 ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
5. 1997 ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
6. 1998 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
7. 1999 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
8. 2000 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
9. 2001 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	... X X X ...	... X X X ...
10. 2002 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	... X X X ...
11. 2003 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	... X X X ...	... X X X ...

**SCHEDULE P - PART 3O - REINSURANCE**  
**Nonproportional Assumed Liability**

1. Prior ...	... 000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
3. 1995 ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
4. 1996 ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
5. 1997 ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
6. 1998 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
7. 1999 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
8. 2000 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
9. 2001 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	... X X X ...	... X X X ...
10. 2002 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	... X X X ...
11. 2003 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	... X X X ...	... X X X ...

**SCHEDULE P - PART 3P - REINSURANCE**  
**Nonproportional Assumed Financial Lines**

1. Prior ...	... 000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
3. 1995 ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
4. 1996 ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
5. 1997 ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
6. 1998 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
7. 1999 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
8. 2000 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	... X X X ...	... X X X ...
9. 2001 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	... X X X ...	... X X X ...
10. 2002 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	... X X X ...	... X X X ...
11. 2003 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	... X X X ...	... X X X ...

**SCHEDULE P - PART 3R SECTION 1**  
**PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
1. Prior ...	... 000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....
10. 2002 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....
11. 2003 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....

**SCHEDULE P - PART 3R SECTION 2**  
**PRODUCTS LIABILITY - CLAIMS MADE**

1. Prior ...	... 000 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 1994 ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 1995 ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 1996 ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 1997 ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. 1998 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
7. 1999 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
8. 2000 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....	.....	.....	.....
9. 2001 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....	.....
10. 2002 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....	.....
11. 2003 ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	... X X X ...	.....	.....	.....

**SCHEDULE P - PART 3S**  
**FINANCIAL GUARANTY/MORTGAGE GUARANTY**

1. Prior .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...	...	... 000 ...	.....	.....	... X X X ...	... X X X ...
2. 2002 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...	...	... X X X ...	.....	.....	... X X X ...	... X X X ...
3. 2003 .....	... X X X ...	... X X X ...	... X X X ...	... X X X ...	...	... X X X ...	... X X X ...	.....	... X X X ...	... X X X ...

**OVERFLOW PAGE FOR WRITE-INS**



**INSURANCE EXPENSE EXHIBIT**  
**FOR THE YEAR ENDING DECEMBER 31, 2003**

**NONE**

OF THE Volunteer State Health Plan, Inc.

ADDRESS (City, State and Zip Code) Chattanooga, TN 37402

NAIC Group Code 0000 NAIC Company Code 00000 Federal Employer's Indetification Number (FEIN) 62-1656610

Contact Person Linda Farah Snell Title \_\_\_\_\_ Telephone (423)763-3130

INTERROGATORIES

1. Change in reserve for deferred maternity and other similar benefits to be reflected in:

1.1 Premiums Earned

1.2 Losses Incurred

1.3 Not Applicable

Yes[ ] No[X]

Yes[ ] No[X]

Yes[ ] No[X]

2. Indicate amounts received from securities subject to proration for federal tax purposes. Report amounts in whole dollars only:

2.1 Amount included on Exhibit of Net Investment Income, Line 1.1, Column 2

2.2 Amount included on Exhibit of Net Investment Income, Line 2.1, Column 2

2.3 Amount included on Exhibit of Net Investment Income, Line 2.11, Column 2

2.4 Amount included on Exhibit of Net Investment Income, Line 2.2, Column 2

2.5 Amount included on Exhibit of Net Investment Income, Line 2.21, Column 2

\$.....

\$.....

\$.....

\$.....

\$.....

3. Indicate amounts shown in the Annual Statement for the following items. Report amounts in whole dollars only:

3.1 Net Investment Income, Page 4, Line 9, Column 1

3.2 Realized Capital Gain or (Loss), Page 4, Line 10, Column 1

\$.....

\$.....

4.1 The information provided in the Insurance Expense Exhibit will be used by many persons to estimate the allocation of expenses and profit to the various lines of business. Are there any items requiring special comment or explanation?

4.2 Are items allocated to lines of business in Parts II and III using methods not defined in the instructions?

4.3 If yes, explain

Yes[ ] No[X]

Yes[ ] No[X]

NONE

IEE-2

**PART I - ALLOCATION TO EXPENSE GROUPS**  
**(000 OMITTED)**

Operating Expense Classifications		1  Loss Adjustment Expense	Other Underwriting Expenses			5  Investment Expenses	6  Total Expenses
			2  Acquisition, Field Supervision and Collection Expenses	3  General Expenses	4  Taxes, Licenses and Fees		
1.	Claim adjustment services:						
1.1	Direct .....						
1.2	Reinsurance assumed .....						
1.3	Reinsurance ceded .....						
1.4	Net claim adjustment services (Lines 1.1 + 1.2 - 1.3) ..						
2.	Commission and brokerage:						
2.1	Direct excluding contingent .....						
2.2	Reinsurance assumed excluding contingent .....						
2.3	Reinsurance ceded excluding contingent .....						
2.4	Contingent - direct .....						
2.5	Contingent - reinsurance assumed .....						
2.6	Contingent - reinsurance ceded .....						
2.7	Policy and membership fees .....						
2.8	Net commission and brokerage (Lines 2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 +2.7) .....						
3.	Allowances to managers and agents .....						
4.	Advertising .....						
5.	Boards, bureaus and associations .....						
6.	Surveys and underwriting reports .....						
7.	Audit of assureds' records .....						
8.	Salary related items:						
8.1	Salaries .....						
8.2	Payroll taxes .....						
9.	Employee relations and welfare .....						
10.	Insurance .....						
11.	Directors' fees .....						
12.	Travel and travel items .....						
13.	Rent and rent items .....						
14.	Equipment .....						
15.	Cost or depreciation of EDP equipment and software .....						
16.	Printing and stationery .....						
17.	Postage, telephone and telegraph, exchange and express ...						
18.	Legal and auditing .....						
19.	TOTALS (Lines 3 to 18) .....						
20.	Taxes, licenses and fees:						
20.1	State and local insurance taxes deducting guaranty association credits of \$##### .....						
20.2	Insurance department licenses and fees .....						
20.3	Gross guaranty association assessments .....						
20.4	All other (excluding Federal and foreign income and real estate) .....						
20.5	TOTAL taxes, licenses and fees (Lines 20.1 + 20.2 + 20.3 + 20.4) .....						
21.	Real estate expenses .....						
22.	Real estate taxes .....						
23.	Reimbursement by uninsured accident and health plans .....	X X X	X X X	X X X	X X X	X X X	X X X
24.	Aggregate write-ins for Miscellaneous Operating Expenses ..						
25.	TOTAL EXPENSES INCURRED .....						
DETAILS OF WRITE-INS							
2401	.....						
2402	.....						
2403	.....						
2498.	Summary of remaining write-ins for Line 24 from overflow page .....						
2499.	TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....						

**PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE**  
**(000 OMITTED)**

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR BUSINESS NET OF REINSURANCE		Premiums Written (Page 8, Part 1B, Column 6)		Premiums Earned (Page 6, Part 1, Column 4)		Dividends to Policyholders (Page 4, Line 17)		Incurred Loss (Page 9, Part 2, Column 7)		Defense and Cost Containment Expenses Incurred		Adjusting and Other Expenses Incurred		Unpaid Losses (Page 10, Part 2A, Column 8)		Defense and Cost Containment Expenses Unpaid		Adjusting and Other Expenses Unpaid		Unearned Premium Reserves (Page 7, Part 1A, Column 5)		Agents' Balances (Page 2, Lines 10.1 plus 10.2 Less Pg 3, Line 12)	
		1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %	19 Amount	20 %	21 Amount	22 %
1.	Fire .....		X X X																				
2.1	Allied Lines .....		X X X																				
2.2	Multiple Peril Crop .....		X X X																				
2.3	Federal Flood .....		X X X																				
3.	Farmowners Multiple Peril .....		X X X																				
4.	Homeowners Multiple Peril .....		X X X																				
5.1	Commercial Multiple Peril (Non-Liability Portion) .....		X X X																				
5.2	Commercial Multiple Peril (Liability Portion) .....		X X X																				
6.	Mortgage Guaranty .....		X X X																				
8.	Ocean Marine .....		X X X																				
9.	Inland Marine .....		X X X																				
10.	Financial Guaranty .....		X X X																				
11.	Medical Malpractice .....		X X X																				
12.	Earthquake .....		X X X																				
13.	Group A & H (See Interrogatory 1) .....		X X X																				
14.	Credit A & H .....		X X X																				
15.	Other A & H (See Interrogatory 1) .....		X X X																				
16.	Workers' Compensation .....		X X X																				
17.	Other Liability .....		X X X																				
18.	Products Liability .....		X X X																				
19.1	19.2 Private Passenger Auto Liability .....		X X X																				
19.3	19.4 Commercial Auto Liability .....		X X X																				
21.1	Private Passenger Auto Physical Damage .....		X X X																				
21.2	Commercial Auto Physical Damage .....		X X X																				
22.	Aircraft (all perils) .....		X X X																				
23.	Fidelity .....		X X X																				
24.	Surety .....		X X X																				
26.	Burglary and Theft .....		X X X																				
27.	Boiler and Machinery .....		X X X																				
28.	Credit .....		X X X																				
29.	International .....		X X X																				
30.	31, 32 Reinsurance-Nonproportional Assumed .....		X X X																				
33.	Aggregate write-ins for Other Lines of Business .....		X X X																				
34.	TOTAL (Lines 1 through 33) .....		X X X																				
DETAILS OF WRITE-INS																							
3301	.....		X X X																				
3302	.....		X X X																				
3303	.....		X X X																				
3398.	Summary of remaining write-ins for Line 33 from overflow page .....		X X X																				
3399.	TOTALS (Lines 3301 through 3303 plus 3398) (Line 33 above) .....		X X X																				

EE4

NONE

**PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE (Continued)**

(000 OMITTED)

IEE-5

PREMIUMS, LOSSES, EXPENSES RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR BUSINESS NET OF REINSURANCE		Commission and Brokerage Expenses Incurred (IEE Part I, Line 2.8, Column 2)		Taxes, Licenses and Fees Incurred (IEE Part I, Line 20.5, Column 4)		Other Acquisitions, Field Supervision, & Collection Expenses Incurred (IEE Part I, Line 25 - 2.8, Col. 2)		General Expenses Incurred (IEE Part I, Line 25, Column 3)		Other Income Less Other Expenses (Page 4, Line 15 minus Line 5)		Pre-Tax Profit or Loss Excluding All Investment Gain		Investment Gain on Funds Attributable to Insurance Transactions		Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus		Investment Gain Attributable to Capital and Surplus		Total Profit or Loss	
		23 Amount	24 %	25 Amount	26 %	27 Amount	28 %	29 Amount	30 %	31 Amount	32 %	33 Amount	34 %	35 Amount	36 %	37 Amount	38 %	39 Amount	40 %	41 Amount	42 %
1.	Fire .....																				
2.1	Allied Lines .....																				
2.2	Multiple Peril Crop .....																				
2.3	Federal Flood .....																				
3.	Farmowners Multiple Peril .....																				
4.	Homeowners Multiple Peril .....																				
5.1	Commercial Multiple Peril (Non-Liability Portion) .....																				
5.2	Commercial Multiple Peril (Liability Portion) .....																				
6.	Mortgage Guaranty .....																				
8.	Ocean Marine .....																				
9.	Inland Marine .....																				
10.	Financial Guaranty .....																				
11.	Medical Malpractice .....																				
12.	Earthquake .....																				
13.	Group A & H (See Interrogatory 1) .....																				
14.	Credit A & H .....																				
15.	Other A & H (See Interrogatory 1) .....																				
16.	Workers' Compensation .....																				
17.	Other Liability .....																				
18.	Products Liability .....																				
19.1	19.2 Private Passenger Auto Liability .....																				
19.3	19.4 Commercial Auto Liability .....																				
21.1	Private Passenger Auto Physical Damage .....																				
21.2	Commercial Auto Physical Damage .....																				
22.	Aircraft (all perils) .....																				
23.	Fidelity .....																				
24.	Surety .....																				
26.	Burglary and Theft .....																				
27.	Boiler and Machinery .....																				
28.	Credit .....																				
29.	International .....																				
30,	31, 32 Reinsurance-Nonproportional Assumed .....																				
33.	Aggregate write-ins for Other Lines of Business .....																				
34.	TOTAL (Lines 1 through 33) .....																				
DETAILS OF WRITE-INS																					
3301	.....																				
3302	.....																				
3303	.....																				
3398.	Summary of remaining write-ins for Line 33 from overflow page .....																				
3399.	TOTALS (Lines 3301 through 3303 plus 3398) (Line 33 above) .....																				

NOTE: THE ALLOCATION OF INVESTMENT INCOME FROM CAPITAL AND SURPLUS BY LINE OF BUSINESS MAY NOT ACCURATELY REFLECT THE PROFITABILITY OF A PARTICULAR LINE FOR USE IN THE RATE MAKING PROCESS.

**PART III - ALLOCATION TO LINES OF DIRECT BUSINESS WRITTEN**  
**(000 OMITTED)**

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR DIRECT BUSINESS WRITTEN		Premiums Written (Page 8, Part 1B, Column 1)		Premiums Earned (Schedule T, Line 58, Column 3)		Dividends to Policyholders		Incurred Loss (Schedule T, Line 58, Column 6)		Defense and Cost Containment Expenses Incurred		Adjusting and Other Expenses Incurred		Unpaid Losses (Schedule T, Line 58, Column 7)		Defense and Cost Containment Expenses Unpaid		Adjusting and Other Expenses Unpaid		Unearned Premium Reserves		Agents' Balances	
		1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %	19 Amount	20 %	21 Amount	22 %
1.	Fire .....		X X X .																				
2.1	Allied lines .....		X X X .																				
2.2	Multiple Peril Crop .....		X X X .																				
2.3	Federal Flood .....		X X X .																				
3.	Farmowners Multiple Peril .....		X X X .																				
4.	Homeowners Multiple Peril .....		X X X .																				
5.1	Commercial Multiple Peril (Non-liability Portion) .....		X X X .																				
5.2	Commercial Multiple Peril (Liability Portion) .....		X X X .																				
6.	Mortgage Guaranty .....		X X X .																				
8.	Ocean Marine .....		X X X .																				
9.	Inland Marine .....		X X X .																				
10.	Financial Guaranty .....		X X X .																				
11.	Medical Malpractice .....		X X X .																				
12.	Earthquake .....		X X X .																				
13.	Group A & H (See Interrogatory 1) .....		X X X .																				
14.	Credit A & H .....		X X X .																				
15.	Other A & H (See Interrogatory 1) .....		X X X .																				
16.	Workers' Compensation .....		X X X .																				
17.	Other Liability .....		X X X .																				
18.	Products Liability .....		X X X .																				
19.1	19.2 Private Passenger Auto Liability .....		X X X .																				
19.3	19.4 Commercial Auto Liability .....		X X X .																				
21.1	Private Passenger Auto Physical Damage .....		X X X .																				
21.2	Commercial Auto Physical Damage .....		X X X .																				
22.	Aircraft (all perils) .....		X X X .																				
23.	Fidelity .....		X X X .																				
24.	Surety .....		X X X .																				
26.	Burglary and Theft .....		X X X .																				
27.	Boiler and Machinery .....		X X X .																				
28.	Credit .....		X X X .																				
29.	International .....		X X X .																				
33.	Aggregate write-ins for Other Lines of Business .....		X X X .																				
34.	TOTAL (Lines 1 through 33) .....		X X X .																				
DETAILS OF WRITE-INS																							
3301	.....		X X X .																				
3302	.....		X X X .																				
3303	.....		X X X .																				
3398.	Summary of remaining write-ins for Line 33 from overflow page .....		X X X .																				
3399.	TOTALS (Lines 3301 through 3303 plus 3398) (Line 33 above) .....		X X X .																				

IEE-6

NONE

**PART III - ALLOCATION TO LINES OF DIRECT BUSINESS WRITTEN (Continued)**  
**(000 OMITTED)**

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR DIRECT BUSINESS WRITTEN		Commission and Brokerage Expenses Incurred		Taxes, Licenses and Fees Incurred		Other Acquisitions, Field Supervision, and Collection Expenses Incurred		General Expenses Incurred		Other Income less Other Expenses		Pre-Tax Profit or Loss Excluding All Investment	
		23 Amount	24 %	25 Amount	26 %	27 Amount	28 %	29 Amount	30 %	31 Amount	32 %	33 Amount	34 %
1.	Fire .....												
2.1	Allied Lines .....												
2.2	Multiple Peril Crop .....												
2.3	Federal Flood .....												
3.	Farmowners Multiple Peril .....												
4.	Homeowners Multiple Peril .....												
5.1	Commercial Multiple Peril (Non-Liability Portion) .....												
5.2	Commercial Multiple Peril (Liability Portion) .....												
6.	Mortgage Guaranty .....												
8.	Ocean Marine .....												
9.	Inland Marine .....												
10.	Financial Guaranty .....												
11.	Medical Malpractice .....												
12.	Earthquake .....												
13.	Group A & H (See Interrogatory 1) .....												
14.	Credit A & H .....												
15.	Other A & H (See Interrogatory 1) .....												
16.	Workers' Compensation .....												
17.	Other Liability .....												
18.	Products Liability .....												
19.1	19.2 Private Passenger Auto Liability .....												
19.3	19.4 Commercial Auto Liability .....												
21.1	Private Passenger Auto Physical Damage .....												
21.2	Commercial Auto Physical Damage .....												
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ANNUAL DISKETTE TRANSMITTAL FORM AND CERTIFICATION  
(HEALTH)

Name of Insurer Volunteer State Health Plan, Inc.

Date NAIC Group # 0000 FEIN 62-1656610 NAIC Company # 00000

THIS FORM IS REQUIRED FOR ALL DISKETTE TRANSMITTALS, PLEASE PROVIDE ANY ADDITIONAL COMMENTS THAT MAY  
HELP TO IDENTIFY DISKETTE CONTENT

	March	April	June
1. Is this the first time you've submitted this filing? (Y/N) .....	N/A .....	N/A .....	N/A .....
2. Is this being re-filed at the request of the NAIC or a state insurance department? (Y/N) .....	N/A .....	N/A .....	N/A .....
3. Is this being re-filed due to changes to the data originally filed? (Y/N) .....	N/A .....	N/A .....	N/A .....
(IF "YES" ENCLOSE HARD COPY PAGES FOR EACH CHANGE.)			
4. Other? (Y/N) .....	N/A .....	N/A .....	N/A .....
(If "yes" attach an explanation.)			

B. Additional comments if necessary for clarification:

C. Diskette Contact Person:  
Phone:  
Address:

D. Software Vendor:  
Version:

E. Have material validation failures been addressed in the explanation file? Yes[ ] No[X]

F. The undersigned hereby certifies that, according to the best of his/her knowledge and belief, that the diskettes submitted with this form were prepared in compliance with the NAIC specifications, that the diskettes have been tested against the validations included with these specifications, and that annual statement information required to be contained on diskette is identical to the information in the 2003 Annual Statement blank filed with the insurer's domiciliary state insurance department. In addition, the diskettes have been scanned through a virus detection software package, and no viruses are present on the diskettes. The virus detection software used was (name):

(version number):

(Signed)\_\_\_\_\_

Type Name and Title:

NAIC Company Code 00000  
NAIC Group Code 0000



Reporting Entity Name Volunteer State Health Plan, Inc.  
Domiciled in Tennessee (State)  
Mailing Address: 801 Pine Street, Chattanooga, TN 37402  
Annual Statement Contact: Linda Farah Snell (423)763-3130 Linda\_Snell@bcbst.com  
(Name) Telephone No. E-mail Address

In the Matter of the Annual Statement  
(Annual/Quarterly)

Filing Required for the Period Ending on the  
31st day of December, 2003  
Mailing Date:

**AFFIDAVIT OF FILING  
AND FINANCIAL  
STATEMENT ATTESTATION**

The officers of the above identified reporting entity, being duly sworn, each depose and say that on the mailing date above, a true and correct statement for the reporting period stated above and that the corresponding true and correct electronic file reflecting the statement for the above named reporting entity, has been sent to the National Association of Insurance Commissioners, according to their instructions. The statement and the corresponding electronic file are an exact and complete duplicate of the statement filed with the reporting entity’s domestic state, except as to schedules, exhibits and information required to be submitted only to the reporting entity’s domestic state.

Additionally, the officers of the above identified reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that for the reporting period stated above, all of the described assets in the above referenced statement were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as therein stated, and that the statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended on that date, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual, except to the extent that (1) state law may differ; or (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)	(Signature)	(Signature)
(Printed Name)	(Printed Name)	(Printed Name)
		(Signature)
		(Printed Name)

Subscribed and sworn to before me this  
day of , 2004

(Notary Signature)  
My Commission Expires:

# Amended Statement Cover



# COMPANY INFORMATION PAGE (JURAT)

Health Risk-Based Capital  
For the Year Ending December 31, 2003

Company Name	Volunteer State Health Plan, Inc.				
NAIC Group Code	0000	NAIC Company Code	00000	Employer's ID Number	62-1656610
Organized under the Laws of the State of	Tennessee				
Contact Person for Health Risk-Based Capital:					
First Name	Linda	Middle	F.	Last Name	Snell
Mail Address of Contact Person	801 Pine Street				
	(Street and Number of P.O. Box)				
City	Chattanooga	State	TN	Zip	37402-2555
Phone Number of RBC Contact Person	(423)763-3130				
E-mail address of RBC Contact Person	Linda_Snell@BCBST.com				
Date Prepared	02/13/2004				
Preparer (if different than Contact)					
First Name	Margaret	Middle	Ann	Last Name	Tate
Is this filing an Original, Amended or Refiling?	Original				
If Amended, Amendment Number:					
Were any items that come directly from the annual statement entered manually to prepare this filing?	Yes				
Was the entity in business for the entire reporting year?	Yes				
Officer's Name:	Ronald Ellis Harr		John Linville Shull		David Lee Deal
	First		Second		Third
Officer's Title:	President & CEO		Secretary		Treasurer & CFO
	First		Second		Third

Each says that they are the above described officers of the said insurer, and that this risk-based capital report is a true and fair representation of the company's affairs and has been completed in accordance with the NAIC instructions according to the best of their information, knowledge and belief, respectively.

(Signature)

(Signature)

(Signature)

XR001

**AFFILIATED COMPANIES RISK - DETAILS**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Name of Affiliate	Affil Type Code	NAIC Company Code of Alien ID Number	Affiliate's RBC After Covariance	Book/Adj Carrying Value of Affiliate's Common Stock	Valuation Basis of Col. (5) F - Fair A - All Other	Total Value of Affiliate's Outstanding Common Stock	Total Statutory Surplus of Affiliate Subject to RBC	Book/Adj Carrying Value of Affiliate's Preferred Stock	Total Value of Affiliate's Outstanding Preferred Stock	Percent Owned (Cols 5+ 9) / (Cols 7+10)	HO Component RBC Required	Col
9999999 TOTAL .....	X X X ..	X X X .....	.....	.....	X X X .....	.....	.....	.....	.....	X X X .....	.....	.....

Logic: If Col (6) = F and Col (4) > 0 Do Calculation.  
Calculation: Col (12) = Min [(Col (8) x Col (11)), Col (4) x Col (11)] If [(Col (4) x Col (11)) > (Col (5) + Col (9)) then Col (13) = [(Col (5) + Col (9) - Col (12))] If [(Col (4) x Col (11)) <= (Col (5) + Col (9)) then Col (13) = Max{[(Col (5) + Col (9) - Col (8) x Col (11)) x .225, [(Col (4) x Col (11)) - Col (12)]}  
Col (13) cannot be less than 0

**AFFILIATED COMPANIES RISK**

Type of Affiliate		Type Code	Basis	(1) RBC	(2) Count
1.	Directly Owned Insurer Subject to RBC .....	1 .....	Affiliate's RBC*		
2.	Indirectly Owned Insurer Subject to RBC .....	2 .....	Affiliate's RBC*		
3.	Directly Owned MCO Subject to RBC .....	3 .....	Affiliate's RBC*		
4.	Indirectly Owned MCO Subject to RBC .....	4 .....	Affiliate's RBC*		
5.	Investment Subsidiary .....	5 .....	Affiliate's RBC*		
6.	Holding Company Excess of Subsidiaries .....	6 .....	0.300		
7.	Directly Owned Alien Insurer .....	7 .....	1.000		
8.	Indirectly Owned Alien Insurers .....	8 .....	1.000		
9.	Investment in Parent .....	9 .....	0.300		
10.	Other Affiliates .....	10 .....	0.300		
11.	Fair Value Excess Affiliate Common Stock .....	11 .....	.. Total of Type codes 1 through 5 of XR002, Col 13 .		

\*Capped at carrying value on parent's statement

**CROSSCHECKING FOR AFFILIATED INVESTMENTS**  
**Schedule D, Part 6, Section 1**

**Preferred Stock**

		Annual Statement Line Number	(1) Annual Statement Total Preferred Stock	(2) Total From RBC Report	(3)  Difference
1.	Parent .....	0199999			
2.	U.S. P&C Insurers .....	0299999		X X X	X X X
3.	U.S. Life Insurers .....	0399999		X X X	X X X
4.	U.S. Health Insurers .....	0499999	<b>N O N E</b>		X X X
5.	Total P&C, Life and Health Insurers .....				
6.	Alien Insurer .....	0599999			
7.	Non-Insurer Which Controls Insurers .....	0699999			
8.	Investment Subsidiary .....	0799999			
9.	Other Affiliates .....	0899999			
10.	Subtotal .....	0999999			

**Common Stock**

		Annual Statement Line Number	(1) Annual Statement Total Common Stock	(2) Total From RBC Report	(3)  Difference
1.	Parent .....	1099999			
2.	U.S. P&C Insurers .....	1199999		X X X	X X X
3.	U.S. Life Insurers .....	1299999		X X X	X X X
4.	U.S. Health Insurers .....	1399999	<b>N O N E</b>		X X X
5.	Total P&C, Life and Health Insurers .....				
6.	Alien Insurer .....	1499999			
7.	Non-Insurer Which Controls Insurers .....	1599999			
8.	Investment Subsidiary .....	1699999			
9.	Other Affiliates .....	1799999			
10.	Subtotal .....	1899999			

**AFFILIATES RISK**

OFF- BALANCE SHEET RISK (See instructions for explanation)		(1) Book/Adjusted Carrying Value	Factor	(2) RBC Requirement
Annual Statement Source				
1.	Total Non-controlled Assets .....	Gen Int Pt 1 20.21 through 20.29 .....	0.010 .....	.....
2.	Guarantees for Affiliates .....	Notes to Financial Statements 10E .....	0.010 .....	.....
3.	Contingent Liabilities .....	Notes to Financial Statements 14A01 .....	0.010 .....	.....
4.	Total Miscellaneous Off Balance Sheet Items = Lines (1) + (2) + (3) .....	.....	.....	.....

**FIXED INCOME ASSETS**

		(1) Book/Adjusted Carrying Value	Factor	(2) RBC Requirement
	<b>BONDS</b>	<b>Annual Statement Source</b>		
1.	Class 01 - U.S. Government - Direct and Guaranteed .....	Sch D, Pt 1A, Sn 1, Col. 6, Line 1.1 .....	53,236,334	
2.	Total Class 01 Bonds .....	Sch D, Pt 1A, Sn 1, Col. 6, Line 10.1 .....	53,236,334	
3.	Other Class 01 Bonds .....	Line (2) - Line (1) .....	0.003	
4.	Total Class 02 Bonds .....	Sch D, Pt 1A, Sn 1, Col. 6, Line 10.2 .....	0.010	
5.	Total Class 03 Bonds .....	Sch D, Pt 1A, Sn 1, Col. 6, Line 10.3 .....	0.020	
6.	Total Class 04 Bonds .....	Sch D, Pt 1A, Sn 1, Col. 6, Line 10.4 .....	0.045	
7.	Total Class 05 Bonds .....	Sch D, Pt 1A, Sn 1, Col. 6, Line 10.5 .....	0.100	
8.	Total Class 06 Bonds .....	Sch D, Pt 1A, Sn 1, Col. 6, Line 10.6 .....	0.300	
9.	Total Bonds .....	53,236,334		

	<b>MISCELLANEOUS FIXED INCOME ASSETS</b>			
10.	Cash, Cash Equivalents and Short-Term Investments .....	Page 2, Column 3, Line 5 .....	25,239,878	
11.	Short-Term Bonds .....	Sch DA Pt 1, Col. 8, Line 6099999 .....		
12.	Exempt Money Market Mutual Funds .....	Sch DA Pt 1, Col. 8, Line 7799999 .....	36,500,803	
13.	Class One Money Market Mutual Funds .....	Sch DA Pt 1, Col. 8, Line 7899999 .....		
14.	Total Other Cash, Cash Equivalents and Short-Term Investments .....	Lines (10) - (11) - (12) - (13) .....	(11,260,925)	0.003
15.	Mortgage Loans - First Liens .....	Page 2, Col 3, Line 3.1 .....		0.050
16.	Mortgage Loans - Other Than First Liens .....	Page 2, Col 3, Line 3.2 .....		0.050
17.	Collateral Loans .....	Included in Page 2, Col 3, Line 7 .....		0.050
18.	Other Long-Term Invested Assets .....	Included in Page 2, Col 3, Line 7 .....		0.200
19.	Total Other Long-Term Invested Assets (Page 2, Col 3, Line 7) ..	Lines (17) + (18) .....		
20.	Total Fixed Income Assets RBC .....	Lines (9) + (14) + (15) + (16) + (17) + (18) .....		

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**REPLICATION (SYNTHETIC ASSET) TRANSACTIONS AND MANDATORILY CONVERTIBLE SECURITIES**

(1) RSAT Number	(2) Type	(3) CUSIP	(4) Description of Asset(s)	(5) NAIC Designation or Other Description of Asset	(6) Value of Asset	(7) RBC Requirement
				<div>NONE</div>		
.....X X X .....	.. X X X .	..... X X X .....	9999999 Total .....	.....X X X .....	.....	.....

**EQUITY ASSETS**

PREFERRED STOCK - UNAFFILIATED		(1) Book/Adjusted Carrying Value	Factor	(2) RBC Requirement
Annual Statement Source				
1.	Class 01 Unaffiliated Preferred Stock .....	Included in Sch D, Part 2, Sn 1 .....		
2.	Class 02 Unaffiliated Preferred Stock .....	Included in Sch D, Part 2, Sn 1 .....		
3.	Class 03 Unaffiliated Preferred Stock .....	Included in Sch D, Part 2, Sn 1 .....		
4.	Class 04 Unaffiliated Preferred Stock .....	Included in Sch D, Part 2, Sn 1 .....		
5.	Class 05 Unaffiliated Preferred Stock .....	Included in Sch D, Part 2, Sn 1 .....		
6.	Class 06 Unaffiliated Preferred Stock .....	Included in Sch D, Part 2, Sn 1 .....		
7.	Total Unaffiliated Preferred Stock .....	Page 2, Col 3, Line 2.1 - Sch D Summary, Col 1, Line 39 .....		

NONE

COMMON STOCK - UNAFFILIATED				
8.	Federal Home Loan Bank Stock .....	Company Records .....	0.023 .....	
9.	Non-Government Money Market Funds .....	Company Records .....	0.003 .....	
10.	Total Common Stock .....	Sch D, Summary, Col 2, Line 54 .....		
11.	Affiliated Common Stock .....	Sch D, Summary, Col 2, Line 53 .....		
12.	Other Unaffiliated Common Stock .....	Lines (10) - (8) - (9) - (11) .....	0.150 .....	
13.	Total Unaffiliated Common Stock .....	Lines (8) + (9) + (12) .....		

**PROPERTY & EQUIPMENT ASSETS**

		(1) Book/Adjusted Carrying Value	Factor	(2) RBC Requirement
	Annual Statement Source			
1.	Properties occupied by the company ..... Page 2, Col 3, Line 4.1			
2.	Encumbrances (Property occupied by the company) ..... Page 2, Line 4.1, inside amount			
3.	Properties held for the production of income ..... Page 2, Col 3, Line 4.2			
4.	Encumbrances (Property held for production of income) ..... Page 2, Line 4.2, inside amount			
5.	Properties held for sale ..... Page 2, Col 3, Line 4.3			
6.	Encumbrances (Property held for sale) ..... Page 2, Line 4.3, inside amount			
7.	Furniture and equipment ..... Page 2, Col 3, Line 18			
7.1	Health Care Delivery subject to statutory acct depreciation limits ..... Company Records			
7.2	All other furniture and equipment ..... Company Records			
8.	Electronic Data Processing equipment and software ..... Page 2, Col 3, Line 17			
9.	TOTAL Property and Equipment ..... Lines 1 + 2 + 3 + 4 + 5 + 6 + 7.1 + 7.2 + 8			

NONE

**ASSET CONCENTRATION**

Issuer Name: \_\_\_\_\_

	(2) Book/Adjusted Carrying Value	Factor	(3) Additional RBC
1. Class 2 Unaffiliated Bonds .....			
2. Class 3 Unaffiliated Bonds .....			
3. Class 4 Unaffiliated Bonds .....			
4. Class 5 Unaffiliated Bonds .....			
5. Collateral Loans .....			
6. Mortgages .....			
7. Unaffiliated Preferred Stock - Asset Class 1 .....			
8. Unaffiliated Preferred Stock - Asset Class 2 .....			
9. Unaffiliated Preferred Stock - Asset Class 3 .....			
10. Unaffiliated Preferred Stock - Asset Class 4 .....			
11. Unaffiliated Preferred Stock - Asset Class 5 .....			
12. Other Long-Term Invested Assets .....			
13. Unaffiliated Common Stock .....			
14. Total of Issuer = Lines (1) through (13) .....			

NONE

**ASSET CONCENTRATION**

Issuer Name: \_\_\_\_\_

	(2) Book/Adjusted Carrying Value	Factor	(3) Additional RBC
1. Class 2 Unaffiliated Bonds .....			
2. Class 3 Unaffiliated Bonds .....			
3. Class 4 Unaffiliated Bonds .....			
4. Class 5 Unaffiliated Bonds .....			
5. Collateral Loans .....			
6. Mortgages .....			
7. Unaffiliated Preferred Stock - Asset Class 1 .....			
8. Unaffiliated Preferred Stock - Asset Class 2 .....			
9. Unaffiliated Preferred Stock - Asset Class 3 .....			
10. Unaffiliated Preferred Stock - Asset Class 4 .....			
11. Unaffiliated Preferred Stock - Asset Class 5 .....			
12. Other Long-Term Invested Assets .....			
13. Unaffiliated Common Stock .....			
14. Total of Issuer = Lines (1) through (13) .....			

NONE

**ASSET CONCENTRATION**

Issuer Name: \_\_\_\_\_

	(2) Book/Adjusted Carrying Value	Factor	(3) Additional RBC
1. Class 2 Unaffiliated Bonds .....			
2. Class 3 Unaffiliated Bonds .....			
3. Class 4 Unaffiliated Bonds .....			
4. Class 5 Unaffiliated Bonds .....			
5. Collateral Loans .....			
6. Mortgages .....			
7. Unaffiliated Preferred Stock - Asset Class 1 .....			
8. Unaffiliated Preferred Stock - Asset Class 2 .....			
9. Unaffiliated Preferred Stock - Asset Class 3 .....			
10. Unaffiliated Preferred Stock - Asset Class 4 .....			
11. Unaffiliated Preferred Stock - Asset Class 5 .....			
12. Other Long-Term Invested Assets .....			
13. Unaffiliated Common Stock .....			
14. Total of Issuer = Lines (1) through (13) .....			

NONE

**ASSET CONCENTRATION**

Issuer Name: \_\_\_\_\_

	(2) Book/Adjusted Carrying Value	Factor	(3) Additional RBC
1. Class 2 Unaffiliated Bonds .....			
2. Class 3 Unaffiliated Bonds .....			
3. Class 4 Unaffiliated Bonds .....			
4. Class 5 Unaffiliated Bonds .....			
5. Collateral Loans .....			
6. Mortgages .....			
7. Unaffiliated Preferred Stock - Asset Class 1 .....			
8. Unaffiliated Preferred Stock - Asset Class 2 .....			
9. Unaffiliated Preferred Stock - Asset Class 3 .....			
10. Unaffiliated Preferred Stock - Asset Class 4 .....			
11. Unaffiliated Preferred Stock - Asset Class 5 .....			
12. Other Long-Term Invested Assets .....			
13. Unaffiliated Common Stock .....			
14. Total of Issuer = Lines (1) through (13) .....			

NONE

**ASSET CONCENTRATION**

Issuer Name: \_\_\_\_\_

	(2) Book/Adjusted Carrying Value	Factor	(3) Additional RBC
1. Class 2 Unaffiliated Bonds .....			
2. Class 3 Unaffiliated Bonds .....			
3. Class 4 Unaffiliated Bonds .....			
4. Class 5 Unaffiliated Bonds .....			
5. Collateral Loans .....			
6. Mortgages .....			
7. Unaffiliated Preferred Stock - Asset Class 1 .....			
8. Unaffiliated Preferred Stock - Asset Class 2 .....			
9. Unaffiliated Preferred Stock - Asset Class 3 .....			
10. Unaffiliated Preferred Stock - Asset Class 4 .....			
11. Unaffiliated Preferred Stock - Asset Class 5 .....			
12. Other Long-Term Invested Assets .....			
13. Unaffiliated Common Stock .....			
14. Total of Issuer = Lines (1) through (13) .....			

NONE

**ASSET CONCENTRATION**

Issuer Name: \_\_\_\_\_

	(2) Book/Adjusted Carrying Value	Factor	(3) Additional RBC
1. Class 2 Unaffiliated Bonds .....			
2. Class 3 Unaffiliated Bonds .....			
3. Class 4 Unaffiliated Bonds .....			
4. Class 5 Unaffiliated Bonds .....			
5. Collateral Loans .....			
6. Mortgages .....			
7. Unaffiliated Preferred Stock - Asset Class 1 .....			
8. Unaffiliated Preferred Stock - Asset Class 2 .....			
9. Unaffiliated Preferred Stock - Asset Class 3 .....			
10. Unaffiliated Preferred Stock - Asset Class 4 .....			
11. Unaffiliated Preferred Stock - Asset Class 5 .....			
12. Other Long-Term Invested Assets .....			
13. Unaffiliated Common Stock .....			
14. Total of Issuer = Lines (1) through (13) .....			

NONE

**ASSET CONCENTRATION**

Issuer Name: \_\_\_\_\_

	(2) Book/Adjusted Carrying Value	Factor	(3) Additional RBC
1. Class 2 Unaffiliated Bonds .....			
2. Class 3 Unaffiliated Bonds .....			
3. Class 4 Unaffiliated Bonds .....			
4. Class 5 Unaffiliated Bonds .....			
5. Collateral Loans .....			
6. Mortgages .....			
7. Unaffiliated Preferred Stock - Asset Class 1 .....			
8. Unaffiliated Preferred Stock - Asset Class 2 .....			
9. Unaffiliated Preferred Stock - Asset Class 3 .....			
10. Unaffiliated Preferred Stock - Asset Class 4 .....			
11. Unaffiliated Preferred Stock - Asset Class 5 .....			
12. Other Long-Term Invested Assets .....			
13. Unaffiliated Common Stock .....			
14. Total of Issuer = Lines (1) through (13) .....			

NONE

**ASSET CONCENTRATION**

Issuer Name: \_\_\_\_\_

	(2) Book/Adjusted Carrying Value	Factor	(3) Additional RBC
1. Class 2 Unaffiliated Bonds .....			
2. Class 3 Unaffiliated Bonds .....			
3. Class 4 Unaffiliated Bonds .....			
4. Class 5 Unaffiliated Bonds .....			
5. Collateral Loans .....			
6. Mortgages .....			
7. Unaffiliated Preferred Stock - Asset Class 1 .....			
8. Unaffiliated Preferred Stock - Asset Class 2 .....			
9. Unaffiliated Preferred Stock - Asset Class 3 .....			
10. Unaffiliated Preferred Stock - Asset Class 4 .....			
11. Unaffiliated Preferred Stock - Asset Class 5 .....			
12. Other Long-Term Invested Assets .....			
13. Unaffiliated Common Stock .....			
14. Total of Issuer = Lines (1) through (13) .....			

NONE

**ASSET CONCENTRATION**

Issuer Name: \_\_\_\_\_

	(2) Book/Adjusted Carrying Value	Factor	(3) Additional RBC
1. Class 2 Unaffiliated Bonds .....			
2. Class 3 Unaffiliated Bonds .....			
3. Class 4 Unaffiliated Bonds .....			
4. Class 5 Unaffiliated Bonds .....			
5. Collateral Loans .....			
6. Mortgages .....			
7. Unaffiliated Preferred Stock - Asset Class 1 .....			
8. Unaffiliated Preferred Stock - Asset Class 2 .....			
9. Unaffiliated Preferred Stock - Asset Class 3 .....			
10. Unaffiliated Preferred Stock - Asset Class 4 .....			
11. Unaffiliated Preferred Stock - Asset Class 5 .....			
12. Other Long-Term Invested Assets .....			
13. Unaffiliated Common Stock .....			
14. Total of Issuer = Lines (1) through (13) .....			

NONE

**ASSET CONCENTRATION**

Issuer Name: \_\_\_\_\_

	(2) Book/Adjusted Carrying Value	Factor	(3) Additional RBC
1. Class 2 Unaffiliated Bonds .....			
2. Class 3 Unaffiliated Bonds .....			
3. Class 4 Unaffiliated Bonds .....			
4. Class 5 Unaffiliated Bonds .....			
5. Collateral Loans .....			
6. Mortgages .....			
7. Unaffiliated Preferred Stock - Asset Class 1 .....			
8. Unaffiliated Preferred Stock - Asset Class 2 .....			
9. Unaffiliated Preferred Stock - Asset Class 3 .....			
10. Unaffiliated Preferred Stock - Asset Class 4 .....			
11. Unaffiliated Preferred Stock - Asset Class 5 .....			
12. Other Long-Term Invested Assets .....			
13. Unaffiliated Common Stock .....			
14. Total of Issuer = Lines (1) through (13) .....			

NONE

**ASSET CONCENTRATION**

Issuer Name: Grand Total

	(2) Book/Adjusted Carrying Value	Factor	(3) Additional RBC
1. Class 2 Unaffiliated Bonds .....			
2. Class 3 Unaffiliated Bonds .....			
3. Class 4 Unaffiliated Bonds .....			
4. Class 5 Unaffiliated Bonds .....			
5. Collateral Loans .....			
6. Mortgages .....			
7. Unaffiliated Preferred Stock - Asset Class 1 .....			
8. Unaffiliated Preferred Stock - Asset Class 2 .....			
9. Unaffiliated Preferred Stock - Asset Class 3 .....			
10. Unaffiliated Preferred Stock - Asset Class 4 .....			
11. Unaffiliated Preferred Stock - Asset Class 5 .....			
12. Other Long-Term Invested Assets .....			
13. Unaffiliated Common Stock .....			
14. Total of Issuer = Lines (1) through (13) .....			

NONE

**UNDERWRITING RISK**  
**Experience Fluctuation Risk**

Line of Business		(1) Comprehensive Medical	(2) Medicare Supplement	(3) Dental	(4) Other	(5) Total
1.	Premium .....					
2.	Title XVIII - Medicare .....		X X X .....	X X X .....	X X X .....	
3.	Title XIX - Medicaid .....	(3,418,182)	X X X .....	X X X .....	X X X .....	(3,418,182)
4.	Other Health Risk Revenue .....		X X X .....			
5.	Underwriting Risk Revenue = Lines 1 + 2 + 3 + 4 .....	(3,418,182)				(3,418,182)
6.	Net Incurred Claims .....	(3,902,343)				(3,902,343)
7.	Fee-for-service Offset .....		X X X .....			
8.	Underwriting Risk Incurred Claims = Line 6 - Line 7 .....	(3,902,343)				(3,902,343)
9.	Underwriting Risk Claim Ratio Line 8 / Line 5 .....					
10.	Underwriting Risk Factor* .....	0.150	0.105	0.120	0.130	X X X .....
11.	Base Underwriting Risk RBC = Lines 5 x 9 x 10 .....					
12.	Managed Care Discount Factor .....	1.028	1.028	1.028	1.000	X X X .....
13.	RBC after Managed Care Discount = Lines 11 x 12 .....					
14.	Maximum per-individual Risk after Reinsurance .....					X X X .....
15.	Alternate Risk Charge** .....					X X X .....
16.	Alternate Risk Adjustment .....					X X X .....
17.	Net Alternate Risk Charge*** .....					
18.	Net Underwriting Risk RBC (MAX {(Line 13, Line 17)}) .....					

TIERED RBC FACTORS*				
	Comprehensive Medical	Medicare Supplement	Dental	Other
\$0-\$3 Million	0.150	0.105	0.120	0.130
\$3-\$25 Million	0.150	0.067	0.076	0.130
Over \$25 Million	0.090	0.067	0.076	0.130
ALTERNATE RISK CHARGE**				
-	\$1,500,000	\$50,000	\$50,000	\$50,000
LESSER OF:	or	or	or	or
-	2 x Maximum	2 x Maximum	2 x Maximum	2 x Maximum
-	Individual Risk	Individual Risk	Individual Risk	Individual Risk

\*\*\*Limited to the largest of the applicable alternate risk adjustments, prorated if necessary.

**ANNUAL STATEMENT SOURCES**

Line of Business		(1) Comprehensive Medical	(2) Medicare Supplement	(3) Dental	(4) Other	(5) Total
1.	Premium .....	Page 7, Col. 2, Lines 1 + 2 ..	Page 7, Col. 3, Lines 1 + 2 ..	Page 7, Col. 4, Lines 1 + 2 ..		-3418182 .....
2.	Title XVIII - Medicare .....	Page 7, Col. 7, Lines 1 + 2 ..	X X X .....	X X X .....	X X X .....	Page 7, Col. 7, Lines 1 + 2 ..
3.	Title XIX - Medicaid .....	Page 7, Col. 8, Lines 1 + 2 ..	X X X .....	X X X .....	X X X .....	Page 7, Col. 8, Lines 1 + 2 ..
4.	Other Health Risk Revenue .....	Page 7, Col. 2, Line 4 .....	X X X .....	Page 7, Col. 4, Line 4 .....		
6.	Net Incurred Claims .....	Page 7, Line 17, Cols 2 + 8 + 9 .....	Page 7, Col. 3, Line 17 .....	Page 7, Col. 4, Line 17 .....		-3902343 .....
7.	Fee-for-service Offset .....	Page 7, Col. 2, Line 3 .....	X X X .....	Page 7, Col. 4, Line 3 .....		
14.	Maximum per-individual Risk after Reinsurance .....	Gen. Int. Pt 2, Line 5.31 .....	Gen. Int. Pt 2, Line 5.33 .....	Gen. Int. Pt 2, Line 5.34 .....		X X X .....

	Annual Statement Source	(1) Amount	Factor	(2) RBC Requirement
<b>Other Underwriting Risk</b>				
19. Business with Rate Guarantees Between 15-36 Months - Direct Premium Earned .....	General Interrogatories Pt 2, Line 9.21 .....		0.024 .....	
20. Business with Rate Guarantees Over 36 Months - Direct Premium Earned .....	General Interrogatories Pt 2, Line 9.22 .....		0.064 .....	
21. FEHBP and CHAMPUS Claims Incurred .....	UI, Pt 2, Col 6, Line 11.4 .....		0.020 .....	
22. Stop Loss and Minimum Premium .....	Page 7, Col 10, Line 1 + 2 .....		0.250 .....	
<b>Disability Income Premium</b>				
23. Noncancellable Disability Income - Individual Morbidity .....	Included in Page 7, Col 10, Line 1 and 2 .....			
23.1 First \$50 Million Earned Premium of Line (23) .....			0.350 .....	
23.2 Over \$50 Million Earned Premium of Line (23) .....			0.150 .....	
23.3 Total Noncancellable Disability Income - Individual Morbidity .....	Lines (23.1) + (23.2) .....			
24. Other Disability Income - Individual Morbidity .....	Included in Page 7, Col 10, Line 1 and 2 .....			
24.1 Earned Premium in Line (24) [up to \$50 million less the premium in Line (23.1)] .....			0.250 .....	
24.2 Earned Premium in Line (24) not included in Line (24.1) .....			0.070 .....	
24.3 Total Other Disability Income - Individual Morbidity .....	Lines (24.1) + (24.2) .....			
25. Disability Income - Credit Monthly Balance Plans .....	Included in Page 7, Col 10, Line 1 and 2 .....			
25.1 First \$50 Million Earned Premium of Line (25) .....			0.200 .....	
25.2 Over \$50 Million Earned Premium of Line (25) .....			0.030 .....	
25.3 Total Disability Income - Credit Morbidity .....	Lines (25.1) + (25.2) .....			
26. Disability Income - Group Long-Term .....	Included in Page 7, Col 10, Line 1 and 2 .....			
26.1 Earned Premium in Line (26) [up to \$50 million less Premium in Line (25.1)] .....			0.150 .....	
26.2 Earned Premium in Line (26) not included in Line (26.1) .....			0.030 .....	
26.3 Total Disability Income - Group Long-Term .....	Lines (26.1) + (26.2) .....			
27. Disability Income - Credit Single Premium with Additional Reserves .....	Included in Page 7, Col 10, Line 1 and 2 .....			
27.1 Additional Reserves for Credit Disability Plans .....	Company Records .....			
27.2 Additional Reserves for Credit Disability Plans, prior year .....	Company Records .....			
27.3 Sub-total Disability Income - Credit Single Premium with Additional Reserves .....	Lines (27) - (27.1) + (27.2) .....			
27.4 Earned Premium in Line (27.3) [up to \$50 million less Premium in Lines (25.1) + (26.1)] .....			0.100 .....	
27.5 Earned Premium in Line (27.3) not included in Line (27.4) .....			0.030 .....	
27.6 Total Disability Income - Credit Single Premium with Additional Reserves .....	Lines (27.4) + (27.5) .....			
28. Disability Income - Credit Single Premium without Additional Reserves .....	Included in Page 7, Col 10, Line 1 and 2 .....			
28.1 Earned Prem in Line (28) [up to \$50 million less Prem in Lines (25.1) + (26.1) + (27.4)] .....			0.150 .....	
28.2 Earned Premium in Line (28) not included in Line (28.1) .....			0.030 .....	
28.3 Total Disability Income - Credit Single Premium without Additional Reserves .....	Lines (28.1) + (28.2) .....			
29. Disability Income - Group Short-term .....	Included in Page 7, Col 10, Line 1 and 2 .....			
29.1 Earned Prem in Line (29) [up to \$50 million less Prem in Lines (25.1) + (26.1) + (27.4) + (28.1)] .....			0.050 .....	
29.2 Earned Premium in Line (29) not included in Line (29.1) .....			0.030 .....	
29.3 Total Disability Income - Group Short-term .....	Lines (29.1) + (29.2) .....			

XR013

	Annual Statement Source	(1) Amount	Factor*	(2) RBC Requirement
<b>Long-Term Care (LTC) Insurance Premium</b>				
30. Noncancelable LTC - Individual Morbidity .....	Included in Page 7, Col 11, Line 1 and 2 .....			
30.1 First \$50 Million Earned Premium of Line (30) .....				
30.2 Over \$50 Million Earned Premium of Line (30) .....				
30.3 Total Noncancelable LTC - Individual Morbidity .....	Lines (30.1) + (30.2) .....			
31. Other LTC - Individual Morbidity .....	Included in Page 7, Col 11, Line 1 and 2 .....			
31.1 First \$50 Million Earned Premium of Lines (30) and (31) less the Premium in Line (30.1) .....				
31.2 Earned Premium in Line (31) not included in Line (31.1) .....				
31.3 Total Other LTC - Individual Morbidity .....	Lines (31.1) + (31.2) .....			
32. LTC - Group Morbidity .....	Included in Page 7, Col 11, Line 1 and 2 .....			
32.1 First \$50 Million Earned Premium of Lines (30), (31) and (32) less the premium in Lines (30.1) and (31.1) .....				
32.2 Earned Premium on Line (32) not included in Line (32.1) .....				
32.3 Total LTC - Group Morbidity .....	Lines (32.1) + (32.2) .....			
<b>Limited Benefit Plans (Individual and Group Combined)</b>				
33. Hospital Indemnity and Specified Disease .....	Included in Page 7, Col 12, Line 1 .....	<b>NONE</b>		
33.1 50,000 if Line (33) is greater than zero .....				
33.2 Total Hospital Indemnity and Specified Disease .....	Lines (33) + (33.1) .....			
34. Accidental Death & Dismemberment .....	Included in Page 7, Col 12, Line 1 and 2 .....			
34.1 First \$10 Million Earned Premium of Line (34) .....				
34.2 Over \$10 Million Earned Premium of Line (34) .....				
34.3 Maximum Retained Risk for any single claim .....	Company Records .....			
34.4 Three times Line (34.3) .....				
34.5 Lesser of Line (34.4) or \$300,000 .....				
34.6 Total Accidental Death & Dismemberment .....	Lines (34.1) + (34.2) + (34.5) .....			
35. Other Accident .....	Included in Page 7, Col 12, Line 1 and 2 .....			
36. Premium Stabilization Reserves .....	Included in U & I, Part 2D, Col 1, Line 4 .....			
37. Total Other Underwriting Risk .....	Lines (19)+(20)+(21)+(22)+(23.3)+(24.3)+(25.3)+(26.3)+(27.3) +(27.6)+(28.3)+(29.3)+(30.3)+(31.3)+(32.3)+(33.2)+(34.6)+(35)+(36)			

\* This is limited to the total Net Underwriting RBC on XR011, Col (6), Line (18) and XR013, Col (2), Lines (22), (23.3), (24.3), (25.3), (26.3), (27.3), (29.3), and XR014 Col (2), Line (30.3), (34.6) and (36)

XR014

**UNDERWRITING RISK - Managed Care Credit Calculation**

Managed Care Claims Payments		Annual Statement Source	(1) Factor*	(2) Paid Claims	(3) Wtd Claims
1.	Category 0 - Arrangements not Included in Other Categories .....	Exhibit 8, Pt 1, Col 1, Line 5 .....	0.000		
2.	Category 1 - Payments Made According to Contractual Arrangements .....	Exhibit 8, Pt 1, Col 1, Line 6 .....	0.150	(2,297,700)	
3.	Category 2a - Subject to Withholds or Bonuses - Otherwise Category 0 .....	Exhibit 8, Pt 1, Col 1, Line 7 .....			
4.	Category 2b - Subject to Withholds or Bonuses - Otherwise Category 1 .....	Exhibit 8, Pt 1, Col 1, Line 8 .....	0.150	(172,945)	
5.	Category 3a - Capitated Payments Directly to Providers .....		0.600	(2,447)	
5.1	Capitation Payments - Medical Group - Category 3a .....	Exhibit 8, Pt 1, Col 1, Line 1 .....		(2,447)	
5.2	Capitation Payments - All Other Providers - Category 3a .....	Exhibit 8, Pt 1, Col 1, Line 3 .....			
6.	Category 3b - Capitated Payments to Regulated Intermediaries .....	Included in Exhibit 8, Pt 1, Col 1, Line 2 .....	0.600		
7.	Category 3c - Capitated Payments to Non-Regulated Intermediaries .....	Included in Exhibit 8, Pt 1, Col 1, Line 2 .....	0.600	110,460	66,276
8.	Category 4 - Medical & Hospital Expense Paid as Salary to Providers .....		0.750		
8.1	Non-contingent Salaries - Category 4 .....	Exhibit 8, Pt 1, Col 1, Line 9 .....			
8.2	Aggregate Cost Arrangements - Category 4 .....	Exhibit 8, Pt 1, Col 1, Line 10 .....			
8.3	Less Fee For Service revenue from ASC or ASO .....	Company Records .....			
9.	Total Paid Claims .....	Exhibit 8, Pt 1, Col 1, Line 13 - Line 11 - Line 8.3 .....		(2,362,632)	66,276
10.	Weighted Average Managed Care Discount .....				(0.028)
11.	Weighted Average Managed Care Risk Adjustment Factor .....				1.028

XR015

*Calculation of Category 2 Managed Care Factor		Annual Statement Source	(1) Amount
12.	Withhold & bonus payments, prior year .....	Company Records .....	512,390
13.	Withhold & bonuses available, prior year .....	Company Records .....	
14.	MCC Multiplier - average withhold returned [Line (12) / Line (13)] .....		
15.	Withholds & bonuses available, prior year .....	Company Records .....	
16.	Claims payments subject to withhold, prior year .....	Company Records .....	235,934,200
17.	Average withhold rate, prior year [Line (15) / Line (16)] .....		
18.	MCC Discount Factor, Category 2 Minimum {.25, [Line (14) x Line (17)]} .....		

**CREDIT RISK**

	Annual Statement Source	(1) Amount	Factor	(2) RBC Requirement
<b>Reinsurance Ceded</b>				
1. Recoverables on Paid Losses - 100% owned affiliates .....	Included in Sch S, Pt 2, Col 6, Line 0499999 .....			
2. Recoverables on Paid Losses - other affiliates .....	Included in Sch S, Pt 2, Col 6, Line 0499999 .....		0.005	
3. Recoverables on Paid Losses - Non-affiliates .....	Sch S, Pt 2, Col 6, Line 0599999 .....		0.005	
4. Total Recoverables on Paid Losses .....	Sch S, Pt 2, Col 6, Line 0699999 .....			
5. Recoverables on Unpaid Losses - 100% owned affiliates .....	Included in Sch S, Pt 2, Col 7, Line 0499999 .....			
6. Recoverables on Unpaid Losses - other affiliates .....	Included in Sch S, Pt 2, Col 7, Line 0499999 .....		0.005	
7. Recoverables on Unpaid Losses - Non-affiliates .....	Sch S, Pt 2, Col 7, Line 0599999 .....		0.005	
8. Total Recoverables on Unpaid Losses .....	Sch S, Pt 2, Col 7, Line 0699999 .....			
9. Unearned premiums - 100% owned affiliates .....	Included in Sch S, Pt 3, Sn 2, Col 8, Line 0199999 .....			
10. Unearned premiums - other affiliates .....	Included in Sch S, Pt 3, Sn 2, Col 8, Line 0199999 .....		0.005	
11. Unearned premiums - Non-affiliates .....	Sch S, Pt 3, Sn 2, Col 8, Line 0299999 .....		0.005	
12. Total unearned premiums .....	Sch S, Pt 3, Sn 2, Col 8, Line 0399999 .....			
13. Other Reserve Credits - 100% owned affiliates .....	Included in Sch S, Pt 3, Sn 2, Col 9, Line 0199999 .....			
14. Other Reserve Credits - other affiliates .....	Included in Sch S, Pt 3, Sn 2, Col 9, Line 0199999 .....		0.005	
15. Other Reserve Credits - Non-affiliates .....	Sch S, Pt 3, Sn 2, Col 9, Line 0299999 .....		0.005	
16. Total Other Reserve Credits .....	Sch S, Pt 3, Sn 2, Col 9, Line 0399999 .....			
17. Total Reinsurance RBC .....	Lines (4) + (8) + (12) + (16) .....			
<b>Capitations to Intermediaries</b>				
18. Total Capitations Paid Directly to Providers .....	XR015, Col (2), Line (5) .....	(2,447)		
19. Less Secured Capitations to Providers .....	Company Records .....			
20. Capitations to Providers subject to Credit Risk Charge .....	Lines (18) - (19) .....	(2,447)	0.020	
21. Total Capitations to Intermediaries .....	XR015, Col (2), Line (6) + (7) .....	110,460		
22. Less Secured Capitations to Intermediaries .....	Company Records .....			
23. Capitations to Intermediaries Subject to Credit Risk Charge .....	Lines (21) - (22) .....	110,460	0.040	4,418
24. Capitation Credit Risk RBC .....	Lines (20) + (23) .....			4,418

XR017

**CREDIT RISK - Other Receivables**

	Annual Statement Source	(1) Amount	Factor	(2) RBC Requirement	
<b>Other Receivables</b>					
25.	Investment Income Receivable .....	Page 2, Col 3, Line 11 .....	337,099	0.010 .....	3,371
26.	Health Care Receivables .....	Exhibit 4, ol. 7, Line 0599999 .....	53		
26.1	Pharmaceutical Rebate Receivables .....	Included in Page 2, Col 3, Line 21 ...		0.050 .....	
26.2	Claim Overpayment Receivables .....	Included in Page 2, Col 3, Line 21 ...		0.050 .....	
26.3	Loan and Advances to Providers .....	Included in Page 2, Col 3, Line 21 ...		0.050 .....	
26.4	Capitation Arrangement Receivables .....	Included in Page 2, Col 3, Line 21 ...		0.050 .....	
26.5	Risk Sharing Receivables .....	Included in Page 2, Col 3, Line 21 ...		0.050 .....	
26.6	Other Health Care Receivables .....	Included in Page 2, Col 3, Line 21 ...		0.050 .....	
27.	Amounts Receivable relating to uninsured accident and health plans .....	Included in Page 2, Col 3, Line 14 ...	1,340	0.050 .....	67
28.	Amounts Due from Parents, Subs, and Affiliates .....	Page 2, Col 3, Line 20 .....	77,581	0.050 .....	3,879
29.	Aggregate Write-Ins for other than invested assets .....	Page 2, Col 3, Line 23 .....		0.050 .....	
30.	Total Other Receivables RBC .....	Sum of Lines (25) + (26.1) through (29) .			7,317
31.	Total Credit RBC .....	Lines (17) + (24) + (30) .....			11,735

XR018

**BUSINESS RISK**

	Annual Statement Source	(1) Amount	Factor*	(2) RBC Requirement
<b>Administrative Expense Risk</b>				
1. Claims adjustment expenses .....	Page 4, Col. 2, Line 20 .....	1,025,190		
2. General administrative expenses .....	Page 4, Col. 2, Line 21 .....	838,791		
3. less the Net amount of ASC Revenue and Expenses included in Line 1 and Line 2 .....	Company Records .....			
4. less the Net amount of ASO Revenue and Expenses included in Line 1 and Line 2 .....	Company Records .....	30,500		
5. less Administrative Expenses for Commission & Premium Taxes .....	Company Records .....	(68,364)		
6. Administrative Expenses Base RBC .....	Lines (1) + (2) - (3) - (4) - (5) .....	1,901,845	0.070	133,129
7. Proration of Administrative Expense to Experience Fluctuation Risk .....	Lines (6) x (20) / ((21) + (22)) .....			133,129
<b>Non-Underwritten and Limited-Risk</b>				
8. Administrative expenses for ASC arrangements .....	Company Records .....		0.020	
9. Administrative expenses for ASO arrangements .....	Company Records .....	116,598,057	0.020	2,331,961
10. Medical costs paid through ASC arrangements (Including Fee-for service received) .....	Company Records .....	(31,896)	0.010	
11. Non-Underwritten and Limited Risk Business RBC .....		116,566,161		2,331,961
<b>Guaranty Fund Assessment Risk</b>				
12. Premiums Subject to Guaranty Fund Assessment .....	Included in Sch T - Company Records .....		0.005	
<b>Excessive Growth Risk</b>				
13. Underwriting Risk Revenue, Prior Year .....	2002 XR011, Col (6), Line (5) (manual entry) .....	289,998,226		
14. Underwriting Risk Revenue, Current Year .....	2003 XR011, Col (5), Line (5) .....	(3,418,182)		
15. Net Underwriting Risk RBC, Prior Year .....	2002 XR011, Col (6), Line (18) (manual entry) .....	20,164,162		
16. Net Underwriting Risk RBC, Current Year .....	2003 XR011, Col (5), Line (18) .....			
17. RBC Growth Safe Harbor .....	[Line (14) / Line (13) + .10] x Line (15) .....			
18. Excess of RBC Growth Over Safe Harbor .....	Max {0, Line (16) - Line (17)} .....			
19. Excessive Growth Risk RBC .....	.5 x Line (18) .....			

\*The factor for the Administrative Expenses Base RBC is calculated as a weighted average, based on premium volume from XR011

	Annual Statement Source	(1) Premium	Weight	(2) Weighted Premium
20. Experience Fluctuation Risk Revenue .....	XR011, Col (5), Line (5) .....	(3,418,182)		
21. Premiums Earned .....	Page 4, Col 2, Line 2 + 3 .....	(3,418,182)		
22. Risk Revenue .....	Page 4, Col 2, Line 5 .....			
23. Tier 1 - \$0 to \$25 million of Line (20) .....			0.070	
24. Tier 2 - Amount over \$25 million of Line (20) .....			0.040	
25. Total Experience Fluctuation Risk Revenue .....	Lines (23) + (24) .....			
26. Administrative Expenses Base RBC Factor .....	Col (2), Line (25) / Col (1), Line (25) ...			0.070

XR019

**Calculation of Total Risk-Based Capital After Covariance**

		(1) RBC Amount
<b>H0 - ASSET RISK - AFFILIATES W/RBC</b>		
1. Off-Balance Sheet Items .....	XR005, Off-Balance Sheet Page - Line 4 .....	
2. Directly Owned Insurer Subject to RBC .....	XR003, Affiliates Page - Line 1 .....	
3. Indirectly Owned Insurer Subject to RBC .....	XR003, Affiliates Page - Line 2 .....	
4. Directly Owned MCO Subject to RBC .....	XR003, Affiliates Page - Line 3 .....	
5. Indirectly Owned MCO Subject to RBC .....	XR003, Affiliates Page - Line 4 .....	
6. Directly Owned Alien Insurer .....	XR003, Affiliates Page - Line 7 .....	
7. Indirectly Owned Alien Insurers .....	XR003, Affiliates Page - Line 8 .....	
8. TOTAL H0 .....	Sum of Lines 1 through 7 .....	
<b>H1 - ASSET RISK - OTHER</b>		
9. Investment Subsidiary .....	XR003, Affiliates Page - Line 5 .....	
10. Holding Company Excess of Subsidiaries .....	XR003, Affiliates Page - Line 6 .....	
11. Investment in Parent .....	XR003, Affiliates Page - Line 9 .....	
12. Other Affiliates .....	XR003, Affiliates Page - Line 10 .....	
13. Fair Value Excess Affiliate Common Stock .....	XR003, Affiliates Page - Line 11 .....	
14. Fixed Income Assets .....	XR006, Fixed Income Assets Page - Line 21 .....	
15. Replication & Mandatorily Convertible Securities .....	XR007, Replication/MCS Page - Line 9999999 .....	
16. Unaffiliated Preferred Stock .....	XR008, Equity Assets Page - Line 7 .....	
17. Unaffiliated Common Stock .....	XR008, Equity Assets Page - Line 13 .....	
18. Property & Equipment .....	XR009, Prop/Equip Assets Page Line 6 .....	
19. Asset Concentration .....	XR010, Grand Total Asset Concentration Page - Line 14 .....	
20. TOTAL H1 .....	Sum of Lines 9 through 19 .....	
<b>H2 - UNDERWRITING RISK</b>		
21. Net Underwriting Risk .....	XR011, Underwriting Risk Page - Line 18 .....	
22. Rate Guaranty - 15-36 Months .....	XR013, Underwriting Risk Page - Line 19 .....	
23. Rate Guaranty - Over 36 Months .....	XR013, Underwriting Risk Page - Line 20 .....	
24. Assessment Risk (Non-Guaranty Fund) .....	XR013, Underwriting Risk Page - Line 21 .....	
25. Stop Loss .....	XR013, Underwriting Risk Page - Line 22 .....	
26. Disability Income .....	XR013, Underwriting Risk Page - Lines 23.3 + 24.3 + 25.3 .....	
—	+ 26.3 + 27.6 + 28.3 + 29.3 .....	
27. Long-Term Care .....	XR014, Underwriting Risk Page - Lines 30.3 + 31.3 + 32.3 .....	
28. Limited Benefit Plans .....	XR014, Underwriting Risk Page - Lines 33.2 + 34.6 + 35 .....	
29. Premium Stabilization Reserve .....	XR014, Underwriting Risk Page - Line 36 .....	
30. TOTAL H2 .....	Sum of Lines 21 through 29 .....	

XR020

**Calculation of Total Risk-Based Capital After Covariance (continued)**

		(1) RBC Amount
<b>H3 - CREDIT RISK</b>		
31. Total Reinsurance RBC .....	XR017, Credit Risk Page - Line 17 .....	
32. Intermediaries Credit Risk RBC .....	XR017, Credit Risk Page - Line 24 .....	4,418
33. Total Other Receivables RBC .....	XR018, Credit Risk Page - Line 30 .....	7,317
34. TOTAL H3 .....	Sum of Lines 31 through 33 .....	11,735
<b>H4 - BUSINESS RISK</b>		
35. Administrative Expense RBC .....	XR019, Business Risk Page - Line 7 .....	133,129
36. Non-Underwritten and Limited Risk Business RBC .....	XR019, Business Risk Page - Line 11 .....	2,331,961
37. Premiums Subject to Guaranty Fund Assessments .....	XR019, Business Risk Page - Line 12 .....	
38. Excessive Growth RBC .....	XR019, Business Risk Page - Line 19 .....	
39. TOTAL H4 .....	Sum of Lines 35 through 38 .....	2,465,090
40. RBC after Covariance .....	$H0 + \text{Square Root of } (H1^2 + H2^2 + H3^2 + H4^2)$ .....	2,465,118
41. Authorized Control Level RBC * .....	.50 x RBC after Covariance .....	1,232,559

## CALCULATION OF TOTAL ADJUSTED CAPITAL

	Annual Statement Source	(1) Amount	Factor	(2) Adjusted Capital
<b>Company Amounts</b>				
1. Capital and Surplus .....	Page 3, Col 3, Line 30 .....	32,762,805 .....	1.000 .....	32,762,805 .....
<b>Subsidiary Adjustments</b>				
2. AVR - Life Subsidiaries .....	Affiliate's statement .....		1.000 .....	
3. Dividend Liability - Life Subsidiaries .....	Affiliate's statement .....		0.500 .....	
4. Tabular Discounts - P&C Subsidiaries .....	Affiliate's statement .....		(1.000) .....	
5. Non-Tabular Discounts - P&C Subsidiaries .....	Affiliate's statement .....		(1.000) .....	
6. Total Adjusted Capital, Post-deferred Tax .....				32,762,805 .....
<b>SENSITIVITY TEST:</b>				
7. DTA Value for Company .....	Page 2, Col. 3, Line 15.2 .....		1.000 .....	
8. DTL Value for Company .....	Page 3, Col. 3, Line 10.2 .....		1.000 .....	
9. DTA Value for Insurance Subsidiaries .....	Company Records .....		1.000 .....	
10. DTL Value for Insurance Subsidiaries .....	Company Records .....		1.000 .....	
11. Total Adjusted Capital, Pre-deferred Tax (sensitivity) .....	Lines 6 - 7 + 8 - 9 + 10 .....			32,762,805 .....

**COMPARISON OF TOTAL ADJUSTED CAPITAL TO RISK-BASED CAPITAL**

		Abbreviation	(1) Amount
1.	Total Adjusted Capital, Post Tax .....		32,762,805
2.	Company Action Level = 200% of Authorized Control Level .....	CAL	2,465,118
3.	Regulatory Action Level = 150% of Authorized Control Level .....	RAL	1,848,839
4.	Authorized Control Level = 100% of Authorized Control Level .....	ACL	1,232,559
5.	Mandatory Control Level = 70% of Authorized Control Level .....	MCL	862,791
6.	Level of Action, if Any .....		None
<b>THE FOLLOWING NUMBERS MUST BE REPORTED IN THE FIVE YEAR HISTORY EXHIBIT ON THE INDICATED LINE</b>			
	Total Adjusted Capital on Line 12 of the Five-Year Historical Data Page .....		32,762,805
	Authorized Control Level Risk-Based Capital on Line 13 of the Five-Year Historical Data Page .....		1,232,559